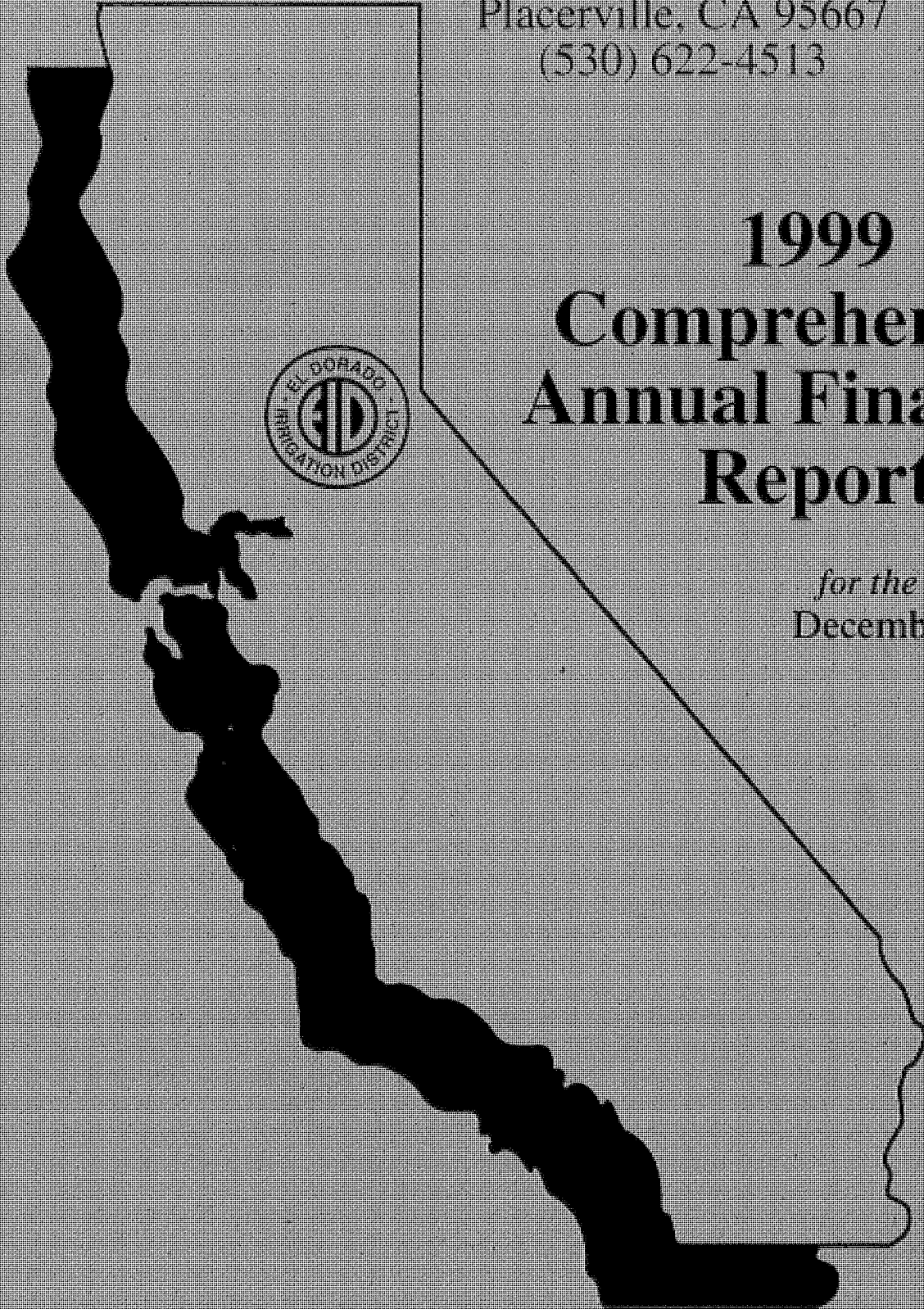
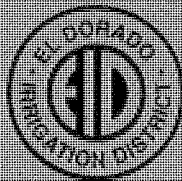


# El Dorado Irrigation District

2890 Mosquito Road  
Placerville, CA 95667  
(530) 622-4513

## 1999 Comprehensive Annual Financial Report

*for the year ended*  
December 31, 1999



**El Dorado Irrigation District (EID)** is located 50 miles east of Sacramento, California on Highway 50 in the City of Placerville. Formed on October 5, 1925 with 31,560 acres to provide irrigation water to farmers in the area and domestic water to the City of Placerville. Today, EID has grown to 135,458 acres and serves rapidly growing residential, commercial and industrial sectors, along with agriculture. The District's contiguous service area spans 21.4 square miles and ranges from 400 to over 4,000 feet in elevation.

# **El Dorado Irrigation District**

## **1999 Comprehensive Annual Financial Report**

**For the Year Ended  
December 31, 1999**

**2890 Mosquito Road  
Placerville, CA 95667  
(530) 622-4513**

**Prepared by the Finance Department**

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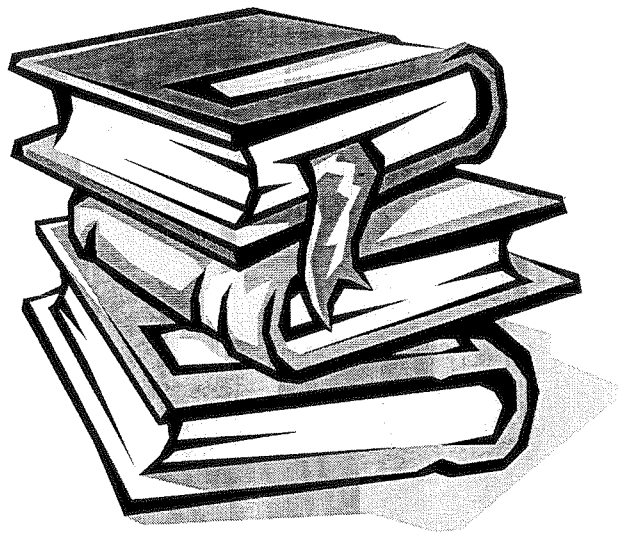
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# El Dorado Irrigation District

August 7, 2000

FA0800-3707  
M0800-1001

Members of the Board  
El Dorado Irrigation District

Directors and Customers:

We are pleased to transmit the *1999 Comprehensive Annual Financial Report* of the El Dorado Irrigation District. EID continues to be one of a handful of local district's publishing this report, and this is our sixth edition. It is structured to enable the District to meet the annual reporting requirements demanded by the Securities Exchange Commission as well as Governmental Finance Officers Association guidelines.

As portrayed in this report, 1999 was a generally up-beat year with the District making financial gains in almost all endeavors. In part, this was the result of specific strategies put into place in the past couple of years, and, in part, it is the luck of the draw – with both local market conditions favoring the sale of new connections and weather influencing the sale of additional water. While primarily fiscal in nature, this report is set in the context of the several issues affecting the District. Specifically:

- ◆ The District continues to explore the changing sewer discharge requirements imposed by the State and Regional Water Quality Control Boards. The outcome could null the recent plant upgrades and necessitate costly capital construction.
- ◆ The District has successfully navigated the California Public Utilities and Federal Energy Regulatory Commissions' review of the transfer of the El Dorado Canal project to District ownership. This has delayed the repair and productive operation of this facility, but it has given the District possession of the facilities and water supply.
- ◆ The 1998 compliance order issued by the State Department of Health Services initiated an \$23.8 million program of converting the District's open reservoir system to a covered reservoir system.
- ◆ *Measure Y - Traffic Control Initiative* approved in November 1998 cast a still unresolved, uncertainty upon the formation of new subdivisions and whether parcel map splits will change the location of new development.
- ◆ Similarly, the 1998 court challenge of the *El Dorado County General Plan Environmental Impact Report* continues to delay the formation of new subdivisions. This affects the District's ability to sell new connection charges (source of 70% of new water connections).







## The Reporting Entity

The El Dorado Irrigation District (EID) was formed on October 5, 1925 under California Government Codes specifically addressing EID. Its purpose was to provide domestic water to the City of Placerville and irrigation water to local farmers. The District assumed ownership of a system of *gold-rush* era mining ditches and the Weber Dam. A substantial part of its water supply is still delivered from four alpine lakes via a 25-mile long canal and flume called the El Dorado Project (Project 184). The District obtained ownership of this project, which also includes a hydroelectric power plant from Pacific, Gas & Electric (PG&E) in October 1999.

Even in the early days, the District had an immediate need to find sources of water to augment the water supply then available. After many years, this resulted in the U.S. Bureau of Reclamation's construction of the Sly Park Project as a non-contiguous part of the Central Valley Project in 1955. The project is operated by EID. Today, the District is pursuing the purchase of the Sly Park Project, an additional 17,000 acre-feet of water out of the El Dorado Project and 7,500 acre feet of USBR (Fazio) water from Folsom.

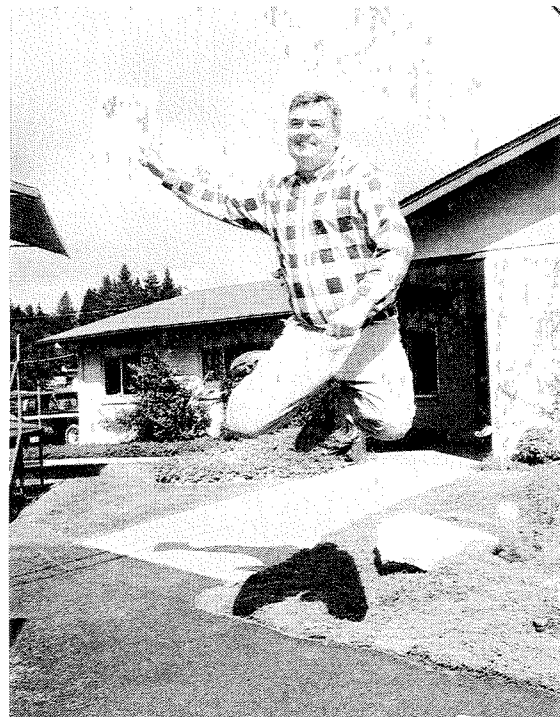
Over the years, EID has changed from its original agricultural focus to one that includes growing residential, commercial, and industrial sectors. This has resulted in a change in the District's "interim" water supply contract with the USBR. The Sly Park contract is now based on consumptive use at a higher cost, un-subsidized basis for non-agricultural water.

Today, EID provides municipal and industrial water (both retail and wholesale), irrigation water, wastewater treatment and reclamation, recreation, and hydroelectric services. As

such, EID is one of the few California Districts that provide the full complement of water-related services.

Services are provided to the historical California *gold-rush* area including the communities of Cameron Park, Camino, Diamond Springs, El Dorado, El Dorado Hills, Placerville, Pollock Pines, Shingle Springs, and many smaller communities.

The District's contiguous service area spans 215 square miles and ranges from 500 feet to over 4,000 feet in elevation. The system requires 181 pressure-regulating zones to operate reliably. The water system operates over 1,111 miles of pipe, 50 miles of ditches, 6 treatment plants, 26 regulating reservoirs and 21 pumping stations. In addition, the wastewater system operates 50 lift stations, 300 miles of pipe and 5 treatment facilities. The El Dorado Hills and the Deer Creek wastewater treatment facilities now produce *Title 22* reclaimed water as the upgrade projects have been completed and brought on-line.



Past EID Board President, Ray Larsen kicks up his heels over having the deed to Project 184. This deed includes four man-made alpine lakes, a diversion dam, 22 miles of canal and the El Dorado Powerhouse.



## 1999 Comprehensive Annual Financial Report

Operating under the California Water and other Government codes, the District has no financial or other interdependence with El Dorado County or any of the communities serviced by the District. Most of the District's revenues are derived from sales of its water and wastewater services. It has broad powers to finance, construct, and operate a system for the transportation, treatment, and distribution of raw and treated water and wastewater. It has full authority to set rates for services without review of any governmental unit and is accountable only to its electors.

In addition to providing water and wastewater services, the District also operates the Sly Park Recreation Area at its main reservoir, Jenkinson Lake. Popular for both day visits and overnight camping, the park includes 9 miles of shoreline, 2 boat ramps, and 184 individual camp sites. Group camping areas include: 5 adult, 2 youth, and 1 equestrian. There are also 9 miles of hiking trails and equestrian trails, and a Native American/historical museum that includes a self-guided, 1/2-mile trail for those who enjoy nature and wildlife viewing. The El Dorado Project (Project 184) consists of 22 miles of canal, hydroelectric powerhouse and recreational facilities located at Silver, Caples and Echo

Lakes and Forebay reservoir. These recreational facilities are being operated and managed by Sly Park staff.

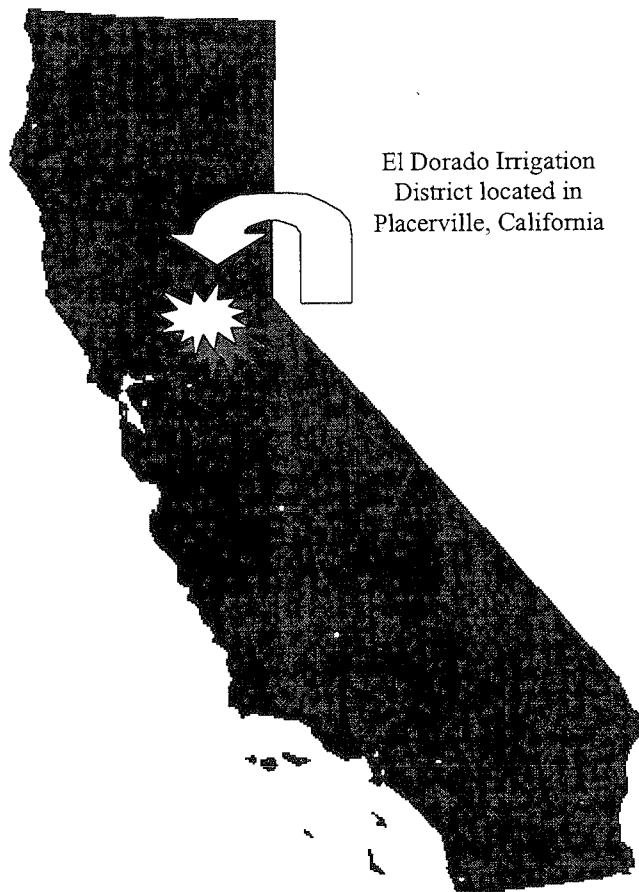
## District Location

The District lies midway between the cities of Sacramento and South Lake Tahoe along the Highway 50 corridor. It is bounded by

Sacramento County on the west and the town of Strawberry on the east. The community of El Dorado Hills is the west-most community served by the contiguous water system and Pollock Pines is the east most.

The areas north of Coloma and Lotus establishes the north-most service area. The agrarian Pleasant Valley and South Shingle Springs communities anchor the south-most service area. The City of

Placerville is located in the central part of the District and receives water from the District on a wholesale basis.



El Dorado Irrigation District located in Placerville, California



## Mission Statement

*The El Dorado Irrigation District is a public agency primarily dedicated to serving customer needs for water and sewer service in a cost efficient and responsible manner.*

### Goals:

- ◆ Maintain continuous, dependable water service and a clean, healthy water supply
- ◆ Provide quality wastewater collection, treatment, and disposal service
- ◆ Protect the natural environment
- ◆ Ensure opportunities for quality recreation

## Values

As a public agency, its employees and the Board of Directors represent EID. In fulfilling its mission, the District acknowledges its responsibility to positively contribute to the community's vitality and stability. To effectively respond to public needs, the District encourages community involvement and participation in decision making.

In serving the many needs of its customers, the District recognizes its primary responsibility of meeting the needs of existing ratepayers, its obligation to accommodate additional customers and its relationship to the many stakeholders who rely on the District in various ways. To perform in an efficient and responsible manner, employee participation, effective planning, and dedication to the process of continuous improvement are fundamental beliefs shared by the Board of Directors and employees alike.





# EID Operations

## Board of Directors

- Bill Bergmeister (elected 11/99) – District 1*
- Dirk Gillmeister – District 2*
- Richard Akin – District 3*
- Howard Kastan – District 4*
- Al Vargas (elected 11/99) – District 5*

The District is governed by an elected five-member Board, each with four-year terms. The Board is the governing body of the District responsible for setting District policy. Each Director must be a resident of the district serviced and is elected by electors of that district. Seven departments provide the District’s operational services.



Front row, left to right: Director Dirk Gillmeister; Director Richard Akin; Director Howard Kastan, President. Back row, left to right: Interim District Counsel, Wm. “Sam” Neasham; Director Bill Bergmeister, Vice-President; Director Al Vargas and former General Manager/District Secretary, William T. Hetland.

## Administration Department

*William L. Wilkins*  
*Interim General Manager/ District Secretary*

This department organizes and directs District activities in accordance with the Board’s policies. The General Manager is

responsible for both coordinating and administering departmental affairs and maintains the District’s inter-governmental and community liaisons.

## Engineering Department

*David Powell*  
*Interim Director of Engineering*

This department administers the capital improvement programs of the District. It provides engineering and technical services related to planning, designing, contracting and construction, and project management to implement these programs.

## Finance Department

*Bruce Adams*  
*Director of Finance*

This department manages the District’s financial resources. It provides general financial control and administrative services for the District including accounting, treasury, customer services, purchasing, risk management, and financial services.

## Hydroelectric Department

*Vacant*  
*Director of Hydroelectric*

This department was created in September 1995 to coordinate the acquisition and renovation of the *El Dorado Canal and Hydroelectric Project*. The renovation work was completed in May 1996 and the department staffed up to operate the facility. In 1997, the New Year’s Flood put the facility out of commission and in June of 1997 the cancellation of the Asset Sales Agreement by PG&E brought on negotiations and lawsuits. In the Fall of 1999, a settlement with PG&E was made and approved by the California Public Utility Commission.



Steve Lindstrom and Bill Slightam from the Hydroelectric Department test the water content of the snowpack near Caples Lake.

## Recreation Department

*Don Pearson*  
*Director of Recreation*

The Department operates and maintains the Sly Park Recreation Area facility. It's primary mission is custodial over the USBR facilities. It provides camping, picnicking, water-use, hiking, equestrian, and outdoor facilities for the public's use. The Department also operates the El Dorado Projects recreational facilities. It plans improvements to facilities and coordinates their funding and development.

## Legal Department

*Wm. "Sam" Neasham*  
*Interim District Counsel*

This department organizes and directs District legal activities in accordance with the Board of Director's policies. The District Counsel is responsible for both coordinating and administering departmental affairs and reports directly to the Board of Directors.



Sly Park boat patrols Jenkinson Lake at Sly Park Recreational area.

## Operations & Maintenance Department

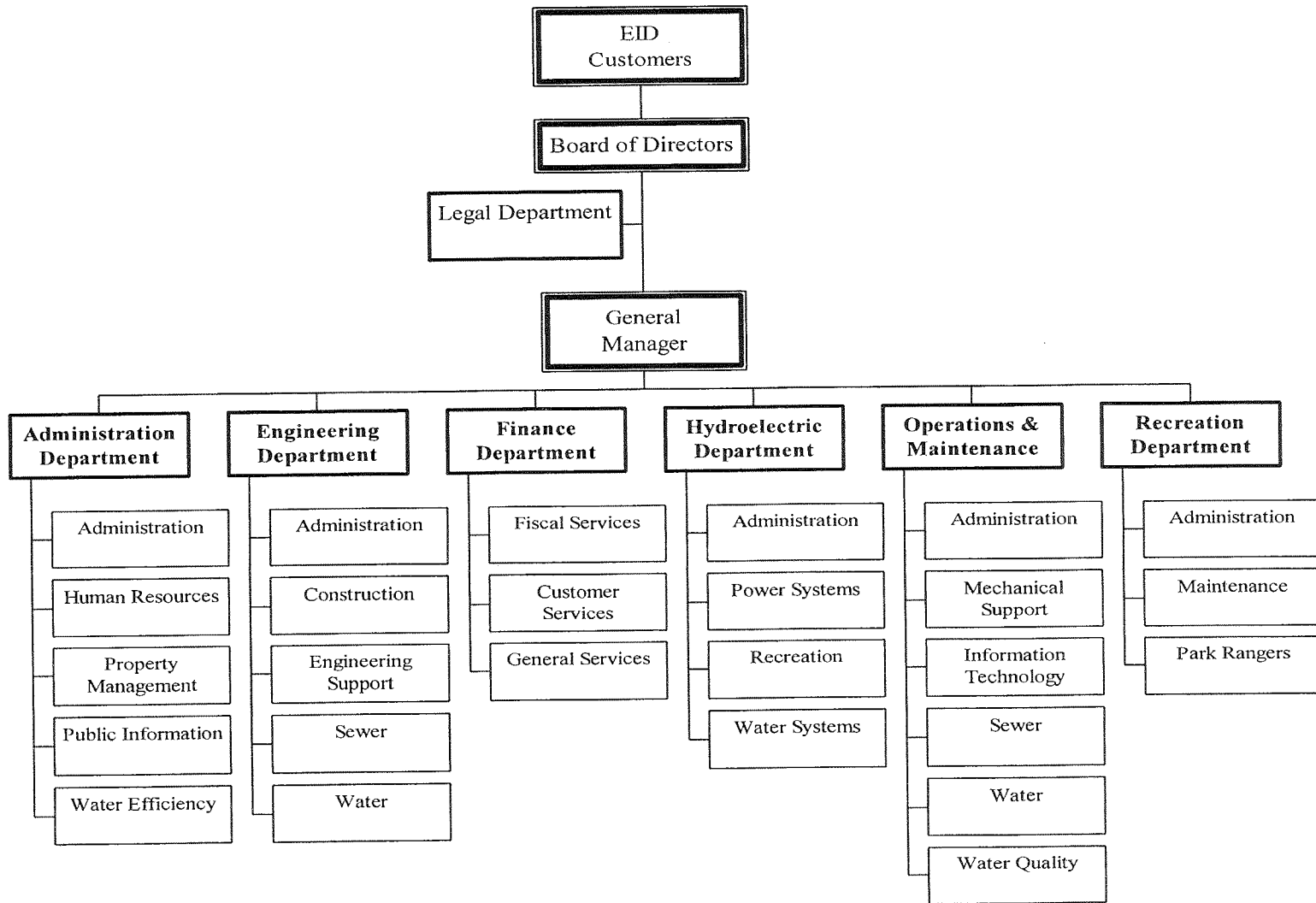
*William L. Wilkins*  
*Director of Operations & Maintenance*

This Department manages nearly half of the District's manpower resources. It operates and maintains the District's water and sewer systems including conveyance and treatment activities and Information Technology Services. It ensures that the appropriate water and sewer quality standards are maintained and reported, and that the operations are conducted in an effective, cost-conscious, safe, and consistent manner.



EID's Annual Employee Recognition Luncheon where employees are recognized for their years of service.

# El Dorado Irrigation District Organization Chart





# Economic Condition and Outlook

## Population

In the last two decades the Sacramento/San Joaquin Valley basin has seen overall population growth and prosperity. This has spilled over into the neighboring foothill communities including the Western El Dorado County region served by EID. In the last 10 years, from 1990 to 1999, El Dorado County's population has increased by 21% to 152,900. During the same period, the population of the State of California increased by 15%. A more detailed account of population growth in El Dorado County and California can be found on page 78 of the Statistical Section of this report.

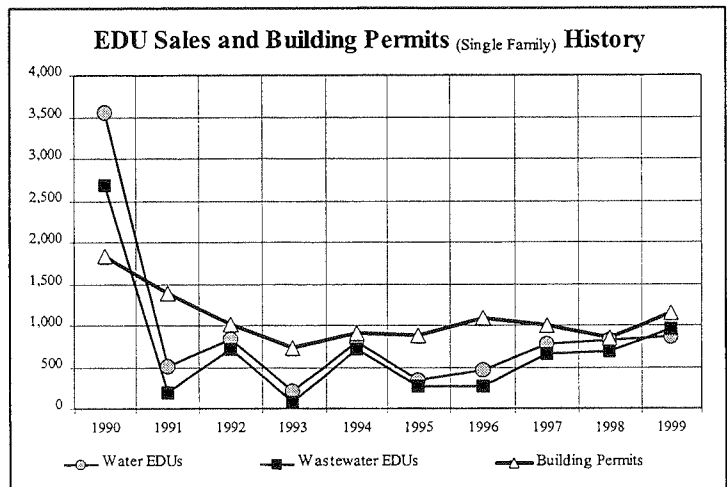
## Economic Growth

The 1990's have been a period of mixed economic growth with the recession slowing regional growth in the early part of the decade. However, the region has recovered in recent years and the long-run regional outlook shows a continued growing trend. The Sacramento Area Council of Governments (SACOG) projects that El Dorado County, excluding the Tahoe Basin, is projected to add 41,075 housing units between January 1, 1997 and July 1, 2020, an increase of 86.8%. Almost half of this growth will occur in El Dorado Hills area.<sup>1</sup>

Single family building permits in El Dorado County have averaged 1,086 per year over the last ten years from 1990 to 1999. As seen in the chart

below, water and sewer capital connections measured in Equivalent Dwelling Units (EDUs) sold by the District have averaged 917 and 723 annually respectively over the same period. The District is projecting EDU sales of 667 water and 598 sewer for 2000 and 562 water and 504 sewer for 2001. For more detailed information on historical EDU sales see page 76 and for building permits see page 77 of the Statistical Section of this report.

While the long-term regional forecast shows a continued demand for housing, the El Dorado County General Plan has been involved in a comprehensive challenge by growth control advocates, environmental groups and other entities. In February 1999 the Superior Court of California voided the County's certification of the Environmental Impact Report for the 1996 General Plan. The County must now repeat portions of its environmental review and re-adopt a General Plan. In the interim, most actions on discretionary permits have been suspended. This ruling will not affect existing development projects that were approved prior to the court action, however the District's future EDU sales for new projects could be affected in the near-term. EID cannot predict the outcome of this



<sup>1</sup> Projections Summary for the Sacramento Region: Housing, Population & Employment - 1997-2022 Sacramento Area Council of Governments

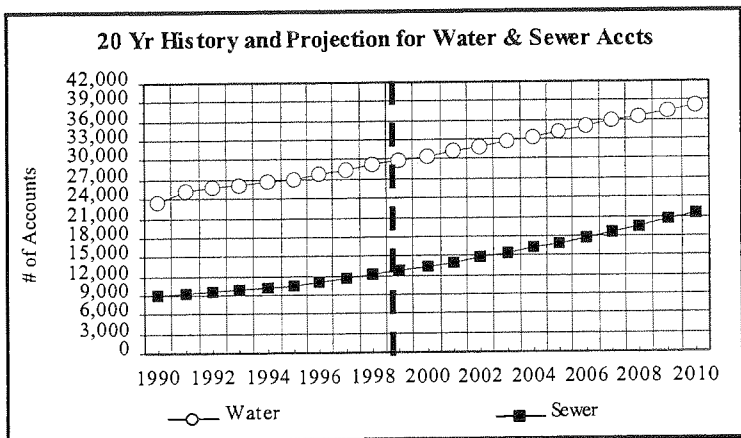


## 1999 Comprehensive Annual Financial Report

matter, but is monitoring this situation and the possible effect it could have on revenues.

### Account Growth

The chart below shows the growth in the District's water and sewer customer accounts from 1990 to 1999, along with projected account growth through the year 2010.



During the ten-year period of 1990 to 1999 average annual account growth for water and sewer accounts was 3.0% and 3.6% respectively.

### Service Area

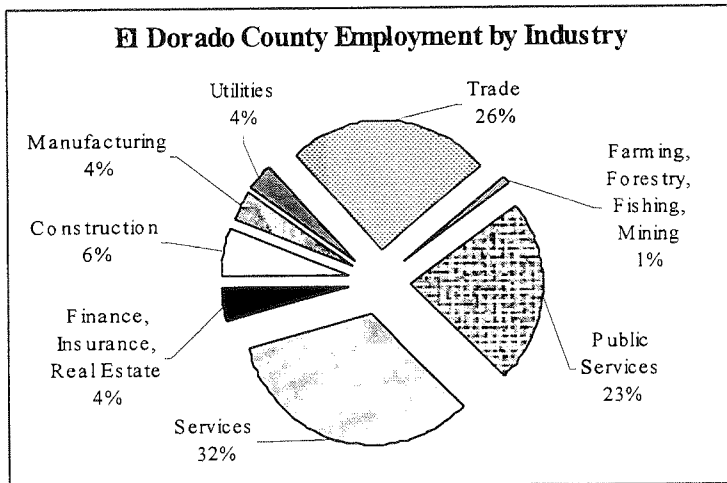
In 1999 annexations added 1,006 acres to the District's service area (which now serves a total area of 215 square miles). EID's sphere of influence encompasses a total of 626 square miles. However, much of this area is planned for rural agricultural use and not deemed appropriate for extensive water-based services. The total secured assessed valuation of the properties within the District's service area increased 5.7% in 1999 to \$2.18 billion. Property taxes and miscellaneous tax collections received from El Dorado County increased 4.9% in 1999 totaling \$4.31 million. The District allocates 75% of

annual property tax revenues received toward its Capital Improvement Program, and 25% toward operations.

### Employment

El Dorado County residents are employed in a variety of industries both inside and outside EID's service area as most residents are within commuting distance of the greater Sacramento metropolitan area. Traditionally dependent on the defense industry and State government for employment the region has emerged from the recession of the early 1990's to become much more diversified with the addition of major computer technology, financial services, healthcare and biotechnology employers.

Residents employed within the District's service area work in a variety of industries including agriculture, construction, manufacturing, utilities, retail



and wholesale trade, financial services, public service and other services. The chart above shows the percentage of residents employed in El Dorado County by industry. The County's largest employers are in the services, public service, and trade industries.





## 1999 Comprehensive Annual Financial Report

For more detailed information on County employers and industries refer to page 80 for the Statistical Section of this report.

The 1999 average unemployment rate for El Dorado County was 4.1%. This compares to 5.4% for the State of California and 4.2% for the United States overall.

## Current Water Supply

The District manages its water resources according to an established Water Supply and Demand model. This model is adjusted each March/April in the *Annual Update to the Water Supply and Demand Report*. This report projects the annual firm yield amount of water that will be available to the District in the following demand year. For 2000 the overall system firm yield is 43,280 acre-feet, which is an increase from the previous four years. One April 3, 2000 the Board of Directors combined the “current” and “potential” yields and the District now recognizes only one yield. Using the new firm yield of 43,280 acre-feet and subtracting the total potential demand of 36,904 acre-feet, the 2000 unallocated water supply for the overall district is calculated to be 6,376 acre-feet. The overall district meter availability is the sum of the

El Dorado Hills region, Western region, Eastern region and totals 14,140 EDU’s.

A graphical representation of the District’s water supply and demand trends from 1991 to 1999 can be found on page 75 of the Statistical Section of this report.

Total raw water delivered in 1999 for the contiguous service was 35,496 acre-feet, which is an increase of 5,469 acre-feet from 1998. The total consumption for the contiguous service area was 30,677 acre-feet including 278 acre-feet of beneficial uses. The resulting unaccounted-for water was 4,829 acre-feet or 13.6%, which is 2.5% lower than 1998.

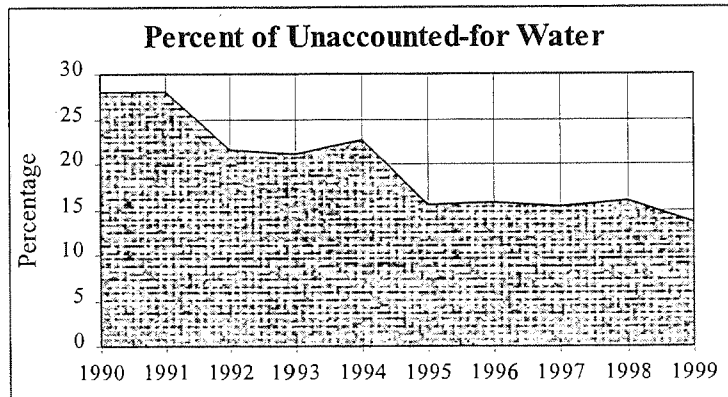
### Unaccounted-for Water

The District has been able to more fully utilize its existing water resources by reducing the amount of unaccounted-for water. Unaccounted-for water represents water taken into the system from all of EID’s main sources, which is not billed to the consumer, or otherwise accounted for. The 1999 rate of unaccounted-for water was 13.6%, the lowest in EID’s history. The industry goal for a rural system like EID’s is 15%.

The chart below shows that unaccounted-for water has decreased from 27.9% in 1990 to 13.6% in 1999. This is a significant achievement resulting from expanded efforts in leak detection and repair, spill recovery, SCADA upgrades, and meter calibration and repair.

Water Supply	
	Acre Feet
System Firm Yield	43,280
Total Potential Demand	36,904
Unallocated Supply	6,376
Available Current Supply EDU’s* (at 0.68 acre-feet for El Dorado Hills, 0.51 acre-feet for Western region and 0.37 acre-feet for Eastern region)	14,140

\* Equivalent Dwelling Unit (EDU): The average water demand for a detached single family dwelling unit which is typically measured in gallons per day or acre-feet per year, but which does not include unaccounted-for-water.





## 1999 Comprehensive Annual Financial Report

### Water Efficiency

The District has long promoted the wise use of water resources. EID began implementing water conservation programs during the 1977 California drought. This effort led to the District's initial water conservation plan, the first by an irrigation district in California. In the same year, the District initiated the first Irrigation Management Service (IMS) program in the State. The IMS program provides irrigation water scheduling by combining weekly on-site moisture readings at local farms with weather data, resulting in a computer-generated crop-watering schedule for agricultural customers. This program saves an estimated 2,000 acre-feet of water per year.

In 1994, the District prepared a new water conservation plan to meet updated requirements from the U.S. Bureau of Reclamation (USBR), as a result of the passage of the Central Valley Project Improvement Act of 1992. This new plan was recognized by the USBR as an exemplary effort of outstanding planning and has been selected as a model for combination urban and agricultural districts within the western United States.

A formal water conservation program, implementing Best Management Practices (BMPs) is a prerequisite for new USBR water contracts as well as receiving new water rights from the State. Accordingly, the District has an expanded water efficiency program that meets all federal and state requirements.

To fully implement the program, the District has a separate Water Efficiency division. The major BMP programs include water audits for residential (interior and exterior), commercial, industrial and large landscape customers, ultra low-flush toilet (ULT) cash rebates, plumbing retrofits for older homes

and the agricultural IMS program. Each of these programs utilizes incentives to help achieve program goals.

Other BMPs include metering of all water, education programs, water waste prohibitions, and leak detection. Full implementation of the BMPs is estimated to conserve 3,000 acre-feet of water per year by the end of ten years.

### Additional Water Supplies

The District is also pursuing additional water supplies from the following sources:

- ◆ 7,500 acre feet of USBR water delivered at Folsom Lake as authorized by public Law PL101-514 sponsored by Congressman Vic Fazio
- ◆ 17,000 acre feet of potentially consumptive water from EID's El Dorado Project.

These supplies, together with ongoing water-use efficiency measures are expected to supply all the water needed to serve the *El Dorado County General Plan* projected build out – to the year 2030 in the El Dorado Irrigation District.





# Financial Information

## Debt Management

The District's general philosophy is to utilize pay-as-you-go funds to construct minor projects and to utilize debt service funds for major long-life, construction projects. This enables future users to share in the costs without over-burdening existing rate payers. The District's outstanding debt at year-end 1999 is shown in the table below.

1999 Outstanding Debt	
Debt Category	Millions
U.S. Bureau of Reclamation	\$15.1
Economic Development Admin (EDA)	\$2.0
State of California	\$0.2
1996-1 Revenue Bonds	\$65.6
1999 Revenue Bonds	\$13.7
Assessment/Improvement District	\$0.0
County of El Dorado	\$1.9
Leases – Bank of America	\$0.5
<b>TOTAL</b>	<b>\$99.00</b>

The graph to the right illustrates the changes in average debt per customer account from 1990 to 1999 in both face value and constant dollar amounts. Constant dollars are calculated by discounting face dollar amounts by the average annual inflation rate of 3.1% over the period.

For information on debt capacity, see pages 61-62 in the statistical section.

## Internal Control

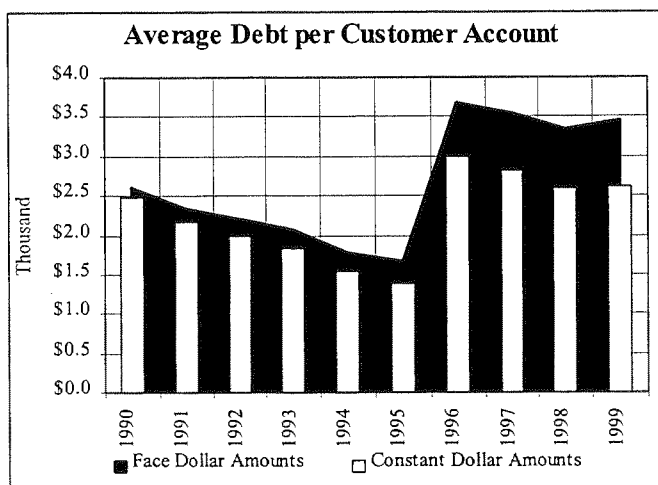
Internal control is provided by a formal District program administered by the District Internal Auditor. Over the years,

EID has developed a system of accounting policies and procedures to assure that assets of the District are protected from loss, theft, or misuse. These are reviewed periodically to assure their continuing compliance with generally accepted accounting principles. The District's annual financial audit also makes recommendations regarding internal control procedures.

The internal control structure provides reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived.

## Budgetary Controls

Budgetary controls are set at the Department level. Department managers have the discretion to transfer appropriations between activities within their Departments, and two consenting Departments can transfer appropriations between their Departments when needed. The General Manager has limited ability to increase overall appropriations by moving funds from contingency funds to specific programs. Major contingency transfers and overall budget appropriation increases require Board approval.





## 1999 Comprehensive Annual Financial Report

In the past the District prepared two-year budgets. Year one serves to appropriate funds for expenditure. Year two is a planning year used to anticipate the funding levels to be needed.

This practice was discontinued for the 1999 and the 2000 budgets due to fiscal necessity. A true biennial budget will be implemented in 2001/2002. Operating and capital budgets are approved by resolution of the Board annually. EID earned the GFOA Distinguished Budget Presentation Award in 1995, 1996, 1997 1998 and again in 1999, along with the California Society of Municipal Finance Officer's Award for Excellence in Budgeting for its Annual Financial Plans. The District's Purchasing Manual provides specific limits for committing District resources.

### Financial Reporting

EID received the GFOA Certificate of Achievement for Excellence in Financial Reporting in 1996, 1997 and 1998 for its Comprehensive Annual Financial Report.

### Cash and Investment Management

The District's cash is invested in certain eligible investments as defined by state law and the District's comprehensive *Investment Policy* (revised and adopted annually by the Board of Directors). The District earned a Certification of Excellence for its investment policy from the Municipal Treasurer's Association of the United States and Canada (MTA) in 1996 and 1999. The District submits its policy every 3 years for certification.

The District's general portfolio is passively managed. Securities are purchased with maturities to match known monthly liabilities around a 5-year laddering process. Proceeds from the

1996 and 1999 revenue bonds, are invested in separate portfolios. For the 1996 bonds, the remaining construction fund is invested in the State Treasurer's California Local Agency Investment fund. The reserve fund is invested in a guaranteed investment agreement that pays a stated rate of interest. The 1999 bond portfolio consists of Guaranteed Investment Contracts for both the construction and reserve funds. Trustee debt service accounts are also included in these portfolios.

The District's investment objectives are to provide liquidity and safety while maintaining a competitive yield. These objectives are *bench-marked* to maintain a yield at least equivalent to the one-year Treasury note. The Treasurer submits monthly reports on investments to the Board of Directors who provide fiduciary oversight of this activity. As the table below shows, the District's cash and investments total to a market value of \$77.2 million as of December 31, 1999.

<b>General Portfolio</b>	
Type of Investment	Millions
Treasury bills and notes	\$4.9
Government Agency Securities	\$13.0
Corporate Securities	\$8.6
Local Agency Investment Fund (LAIF)	\$18.8
Municipal Securities	\$0.8
<b>TOTAL</b>	<b>\$46.1</b>
<b>1996 Revenue Bond Portfolio</b>	
LAIF	\$8.1
Guaranteed Investment Contracts	\$5.2
Trustee Debt Accounts	\$4.4
<b>TOTAL</b>	<b>\$17.7</b>
<b>1999 Revenue Bond Portfolio</b>	
Guaranteed Investment Contracts	\$13.3
Trustee Debt Accounts	\$0.1
<b>TOTAL</b>	<b>\$13.4</b>
<b>TOTAL of THREE PORTFOLIOS</b>	<b>\$77.2</b>



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### Risk Management

Risk management affairs are managed by the District's Risk Management Office using a combination of commercially purchased insurance, self-insurance, and risk transfer instruments to protect the District's assets.

The District currently carries the following types (and limits) of commercial insurance on it's water, wastewater and recreation operations and separate insurance for the El Dorado Project (Project 184).

<b>Insurance</b>	
Property	\$15,000,000 for each occurrence
General Liability	\$11,000,000
Inland Marine (Construction Equip)	Blanket Coverage
Rented or Leased Equip.	Blanket Coverage
Auto Liability with Broad Form Endorsement	\$11,000,000
Auto Physical Damage – Per Schedule	\$500 ded. on collision
Error & Omissions Liability including Employment Practices Liability	\$11,000,000

<b>El Dorado Project (Project 184) Insurance</b>	
Property	\$50,000,000
Boiler & Machinery	\$50,000,000
Inland Marine	Blanket
General Liability	\$10,000,000
General Auto Liability	\$10,000,000

All contractors doing work for the District are required to furnish certificates of insurance for general liability, automotive liability, professional liability, and workers compensation. When appropriate they are

required to add the District to their policies as an additional insured.

### Retirement

EID is a member of the State operated Public Employee Retirement System (PERS). This is an actuarially sound system, and the District's liabilities are fully covered<sup>1</sup>. The District also provides a deferred compensation plan for all full time employees. Funds in this plan are invested on behalf of the employees through ICMA Retirement Corporation, in various instruments including mutual funds, market funds, and others.

### Independent Audit

Bond covenants, state statute and good fiscal practice require an annual audit of the District's financial records. The Accountancy Corporation of Maze & Associates, Certified Public Accountants performed the 1999 annual financial audit in accordance with generally accepted auditing standards. Their report is included in the Financial Section of this report.

### Enterprise Operations

The District is accounted for as an enterprise fund with subfunds that include activities for water, wastewater and hydroelectric operations, debt, capital improvements and recreation. This enables the District to operate these services much like a business representing its costs and revenues in both the appropriate time and allocation. EID has possessory interest in the recreation facilities at Sly Park and operates them under a long-term contract with the United States Bureau of Reclamation.

<sup>1</sup> See note 4 of the financial statements.



# Major Initiatives for 2000 and Beyond



## General Plan Issues

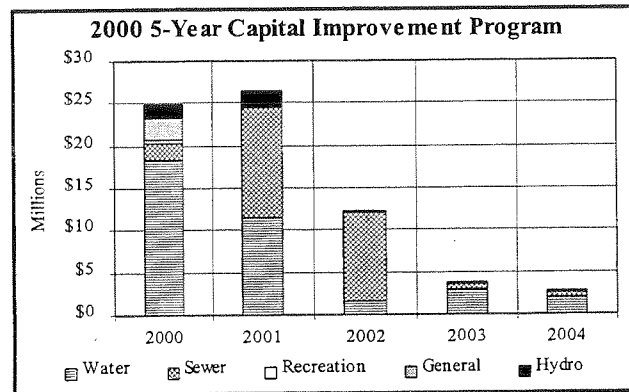
The District’s master planning process and capital improvement programs are built upon the *El Dorado County General Plan*. Two significant issues emerging in 1998 seriously altered this process. The first was the adoption of *Measure Y – Traffic Control Initiative*, and the second was the successful legal challenge to the *County General Plan Environmental Impact Report*. El Dorado County has yet to resolve these issues. EID’s reliance upon the *General Plan* was discussed in the March 22, 2000 Annual Board Workshop. While unresolved, the District may, in fact, base its planning processes on its capability of providing service limited by its current water supplies and ability to provide service.<sup>1</sup>

The first issue could reduce the projected rate of development in the western portion of the District by 50% and shift it further east via unregulated, low-cost parcel map processes<sup>2</sup>. This could result in under-utilization of facilities built in the western

<sup>1</sup> The past policy, while not exactly a “build it and they will come,” bias, was focused in meeting the County-controlled, *General Planning* process and the development schedules and direction prescribed by that plan. This anticipated the perfection of known water rights. The current bias is in restricting service to existing, available water rights. Both biases come with risks. In the first case, the risk is that facilities will be built that will not be fully utilized. In the second case, the facilities will not be sized to meet future utilization and additional facilities could need to be constructed – at additional cost.

<sup>2</sup> Conrad Montgomery, County Planning Director, staff report to Board of Supervisors, August 1998.

portion of the District and over-utilization of capacity that has not been planned for in the upstream portions of the District. Further, as discussed by the County Planning Commission in November 1999, the costs of meeting this initiative could make it non-economic to develop in El Dorado County



and redirect growth to other communities. County staff will need to revise the *General Plan* in light of these changes.

The second issue portends a more temporary condition. The *General Plan EIR* will need updating to assimilate the court edict. At this writing, the specifics of the edict are unknown and could affect the supply of new parcels currently in the subdivision map process. This, in turn, could have a temporary impact on cashflow to the District from the purchase of new connections. As noted, 70% of new water and 84% of new sewer connections typically come from parcels created by new subdivision maps.

## Water

The District continues to build on the initiatives started in 1997. These concern developing a long-term water supply strategy, renovating the Weber Dam, and establishing ownership of the District’s water supplies. This has been achieved with



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the CPUC<sup>3</sup> and FERC<sup>4</sup> approval of the transfer of the El Dorado Canal Project to EID. Still pending is Congressional action on transferring Sly Park reservoir to the District.

**Ditch System Conversions.** A strategy evolving from the District's *Water Supply Master Plan* is to identify and utilize all of the District's existing water supplies. One strategy is to change the point of diversion for existing ditch water rights to move these waters from their former area of use for recapture into the District's potable water system at Folsom Reservoir. This will add between 600 and 4,300 acre feet of "firm-yield" water, and provide a six to ten year bridge to the District's perfecting of new water sources.

**Long-term Water Supplies.** Engineering staff continues to define the District's *Water Supply Master Plan*. This will be provided to the Board in August 2000 and builds on the work performed by the engineering firm of Montgomery Watson, and, more recently by CH2MHill for the El Dorado Hills area. This latter study showed that development of the additional 7,500 acre feet of USBR water at Folsom Lake would meet demands out to 2009. This requires an \$8.0 million expansion project for the El Dorado Hills water treatment plant, which is now under review. Beyond that, the pending 17,000 acre-feet of Project 184 water would be necessary. That could either be delivered by a \$37.9 million Bass Lake facility, an \$85.1 million White Rock facility project, or some phasing of the Weber Creek basin facilities.

**Uncovered Reservoirs.** The covering of EID's treated water storage facilities was the major water initiative started in 1999. This was the result of a 1998 compliance order issued by the State Department of Health Services. After years of working with the District staff to find an effective potable water supply storage alternative, the State changed to an enforcement mode requiring the District to initiate a \$23.8 million program to cover its reservoirs in a three-year time period (1999 – 2001). The Federal/State revolving fund loan program will provide EID low-interest loans for the actual construction projects. These will be repaid from surcharges on existing customer accounts and could ramp up to \$4.00 or more per month.

**Weber Dam.** This \$4.5 million project is scheduled for 2000. The dam is scheduled for renovation in lieu of demolition. Additionally, as noted above, it is difficult to perfect new water supplies, and the 1,200 acre-feet of water from this source is important to the overall scheme of future District water supplies. This facility could fit into a major, Weber Creek basin water supply scheme for the future.

**El Dorado Canal.** The District secured ownership of PG&E's former El Dorado Canal water conveyance and hydroelectric system in October 1999. This facility was critically damaged in the *1997 New Year's Day Flood*, and has remained damaged pending the transfer. A temporary pipeline was constructed in the spring/summer of 1998 to enable EID's historical and critical, 15,080 AF water supply from this source to be delivered to the District.

<sup>3</sup> California Public Utilities Commission. This is the State agency responsible for overseeing public utility services and rates.

<sup>4</sup> Federal Energy Regulatory Commission. This is the Federal agency responsible for overseeing the production and distribution of electrical power.



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### *Sewer*

**NPDES Compliance.**<sup>5</sup> The 1996 bond funded, \$40 million upgrade and expansion of the Deer Creek and El Dorado Hills sewer treatment plant projects is all but completed. However, as the NPDES permit for the Deer Creek plant was being readied, the Regional Water Quality Control Board introduced new discharge criteria that were above and beyond the design standards built into the upgraded plants. The mid-range planning estimates indicate that the costs of meeting these new standards could be \$25.3 million for the Deer Creek facility including a \$5.8 million expansion phase now under construction. Similar scenarios are expected to be in the works for the El Dorado Hills plant. Staff efforts are focused to bring the discharge standards more in line with the technology governing the plants' design – based on science not politics. Worst case cost estimates range to \$118 million for both plants if all possible criteria are included.

### *General District*

**Administrative Facilities.** The District continues to make progress in response to the City of Placerville's zoning enforcement action. An architect was engaged and an assessment of needs was made. In April 1998, the District adopted a strategy of upgrading facilities at its existing site. Plans are now nearing completion. Phase I of this 5-phase project involved obtaining the adjacent parcel<sup>6</sup> for expansion followed by the design and construction of new facilities for customer services functions. Occupancy is scheduled for the summer of 2002.

<sup>5</sup> National Pollution Discharge Elimination Systems. These are Federal standards enforced by State and Regional Water Quality Control Boards.

<sup>6</sup> Purchased in August 1999.

**Rate Studies.** The District embarked on a series of actions designed to bring its rate structures into line with the costs of providing services. Sewer FCC's were updated to include recent debt and expanded facility costs. In light of the pending NPDES process and its potential impacts on District rates and FCC's, EID commissioned an absorption study to test whether these rates would be accepted in the market. This study found that four development areas were approaching the 15% maximum backbone infrastructure cost-test.<sup>7</sup>

**New Rate Increases.** The District's sewer service rates were increased 62.4% to fully fund operating, replacement programs, and overhead costs. These costs had increased substantially over the last 4-years as a result of the 1995 DCWWTP cease and desist order and the resulting sewer plant and operational changes. Finally, an overall rate design study was commissioned to evaluate the equity in charging for the various classes of services provided by the District. This will be presented in August 2000.

**Privatization.** The District has recently been approached regarding contracting out of its sewer and hydroelectric functions. While no action has yet been taken, these proposals remain on the table pending an operational audit of District services.

<sup>7</sup> This "rule-of-thumb" indicates that the total cost of infrastructure should not exceed 15% of the total cost of a home. Costs exceeding this either drive the price of the home too high or make it non-economic for the developer if he absorbs the cost. This issue will become even more germane as the County explores options for implementing *Measure Y*. As proposed, the traffic impact fees will be assessed to new parcels.





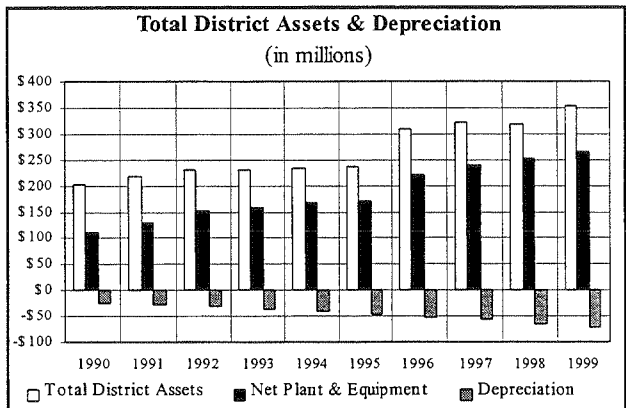
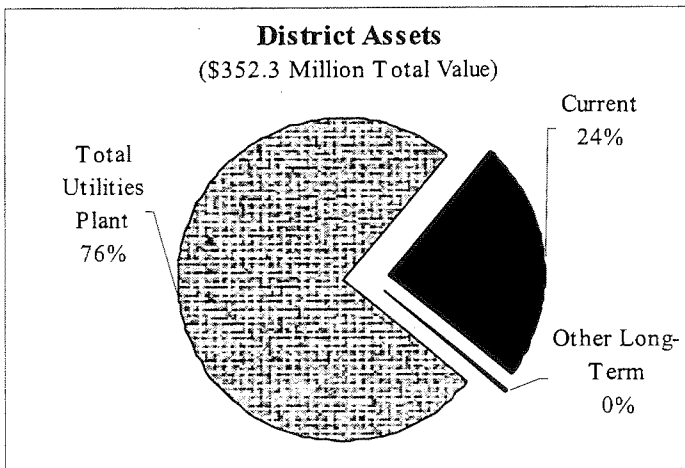
# Results of Operations

## Overview

The financial section of this report contains the annual audit of the District. It includes the financial statements showing the assets, liabilities, fund equity, income, and cashflow of the District together with the Auditor's notes. These reports provide a "snap-shot" of how things stood at December 31, 1999.

grown by \$14.6 million (\$0.4 million more than the \$14.2 million gain in 1998). This now totals \$265.4 million<sup>8</sup> which is net of a cumulative \$70.7 million in depreciation. The District received \$15.0 million as a result of the PG&E asset transfer agreement, \$13.7 million in revenue bond proceeds, and paid off \$8.3 million in State loans. All of which contributed to the net increase in current assets by \$19.4 million. This resulted in a combined \$85.8 million current asset balance.

A large part of the prior cash balances resulted from the \$69.4 million 1996 revenue bond issue, and this was expressly obtained to construct capital facilities and to refinance the old COP debt<sup>9</sup>. At this time, the only substantial balances in the 1996 bond's construction funds are for the Sly Park purchase and administrative facilities construction. However, the District carried nearly all of the \$13.8 million 1999 revenue bond proceeds into 2000, as these bonds were issued in December 1999.



## Balance Sheet

- ◆ Assets – increased \$34.3 million to \$352.3 million
- ◆ Liabilities – increased \$17.8 million to \$119.7 million
- ◆ Fund Equity – increased \$16.5 million to \$232.6 million

This statement discloses the net worth of the District in terms of what it owns and what it owes. In this equation, what the District owns (\$352.3 million) less what the District owes (\$119.7 million) results in a \$16.5 million increase in its net worth which rises to \$232.6 million.

This statement portrays \$34.3 million increase in total assets (from \$318.0 million to \$352.3 million). Total utilities plant has

This statement also shows that the money the District owes for long-term debt increased by \$3.6 million leaving \$94.5

<sup>8</sup> See graphic above. This shows that the total value of District assets has nearly doubled in the past 10 years.

<sup>9</sup> Certificates of Participation. This loan process allows local agencies to finance facilities via a private, non-profit financing corporation.



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million outstanding.<sup>10</sup> The District's current liabilities increased by \$14.2 million, primarily as a result of the \$15 million received from PG&E for Project 184 which is accounted for as a current liability under deferred revenue.

Fund equity represents the net financial worth of the District (assets minus liabilities equals fund equity). This increased \$16.5 million to \$232.6 million. Developer contributions to the District increased \$2.2 million to \$69.9 million. The equity held by the District ratepayers (retained earnings) increased \$14.3 million to \$162.7 million. If the District were to be liquidated at full value tomorrow, this would represent a \$5,459 dividend to each of the District's 29,800 customers.

### *Statements of Revenues and Expenses*

- ◆ Operating Revenues – increased \$4.6 million to \$21.3 million
- ◆ Operating Expenses – increased \$2.1 million to \$28.7 million
- ◆ Operating Loss – decreased \$2.5 million to \$7.4 million
- ◆ Non-operating Revenues(Expenses) – increased \$6.9 million to \$19.7 million
- ◆ Net Income – increased \$9.4 million to \$12.4 million
- ◆ Retained Earnings – increased \$14.3 million to \$162.7 million

This statement illustrates whether the District operated at a “profit” or “loss,” and the bottom line reflects a \$12.4 million “profit.” However, the District suffered an operating loss of \$7.4 million; this compares with a operating loss of \$9.8 million in 1998

<sup>10</sup> This is nearly equal 1998. It is complicated in that the current portion of long-term debt is counted as a current liability. Were this added in, the total outstanding debt is \$97.5

and \$7.1 million in 1997. Discounting the \$7.6 million “paper-cost” of depreciation, the District actually gained \$292,466 from operations.<sup>11</sup> Including property taxes, facility capacity charges (FCCs), interest earnings, and other non-operating revenues resulting in the overall gain for the year.

The District's 5-year CIP for 2000 averages \$14.0 million per year (versus the \$35.3 million average included in the 1999 CIP).<sup>12</sup> In the aggregate, the CIP is almost covered on a pay-as-you go basis, but \$9.6 million of this was devoted to restricted FCC's and includes the \$1.5 million in Serrano water FCC credits gained during 1999.<sup>13</sup> The net gain is meager and still cause for concern. The recent, interim sewer FCC increases and a full year of sewer rate increases should further reduce this gap and possibly work towards a positive contribution to capital programs.

**Operating Revenues.** As noted in the USBR guide to the Central Valley Project, the weather patterns in California favor either drought or flooding patterns. This has been the case for the past 3-years. 1997 was the highest and 1998 the lowest water sales year of the decade. 1999 like 1997, was a high water sales year and the revenue reflects this. For 1999 water sales revenue totaled \$11.0 million (\$270,000 more than

<sup>11</sup> While it is easy to dismiss depreciation as “paper costs” as done above, this represents real needs for future expenditures to renovate older, deteriorating infrastructure. Nowhere was this more obvious than in the adoption of the 1998 Capital Improvement Program where nearly all of the District's available funds were tapped for use.

<sup>12</sup> The 2000 CIP does not include funding for any of the AD3/AD12 facilities nor the El Dorado Hills sewer plant NPDES estimates included in the 1999 plan. It does include the anticipated NPDES improvements for the Deer Creek sewer plant, which may or may not be required.

<sup>13</sup> Serrano credits are monies received for FCC projects that were or will be constructed by a private developer (Serrano) and will be reimbursed.



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budgeted). Sewer revenue totaled \$8.4 million (an increase of \$3.3 million and \$44,000 less than projected). The increase is the direct result of the 62.4% rate increase imposed in April 1999.

The sewer rate increases will be in place for a full year starting in 2000. This should bring the operating expenditures into a positive balance with revenues, and include a contribution towards its capital replacement construction.

### *Operating Expenses*

District operating expenditures increased \$2.1 million to \$28.7 million (including depreciation). This is \$2.6 million less than the 1999 augmented budget (including a \$6.1 million estimate for depreciation). Actual, out-of-pocket costs increased to \$21.1 million from \$19.5 million; and this was \$3.7 million less than the level budgeted. Major areas of increase included operations (increased \$1.1 million) to start up and operate the new El Dorado Hills sewer plant and its larger facilities. Further, the higher water usage from Sly Park Reservoir resulted in an additional cost of \$68,000 for purchasing higher cost water. The combination of the operating new sewer plant and pumping water in El Dorado Hills area resulted in a continuation of the \$1.8 million expense for electrical costs.

<b>Operating Expenses</b>			
In millions	1999	1998	Change
Administration	\$1.304	\$1.227	\$0.077
Legal	\$1.054	\$1.332	(\$0.278)
Finance	\$2.864	\$2.940	(\$0.076)
Engineering	\$1.520	\$1.509	\$0.011
O & M	\$9.956	\$8.857	\$1.099
Electricity	\$1.797	\$1.797	\$0.000
Water Purchases	\$0.654	\$0.585	\$0.069
Recreation	\$0.492	\$0.484	\$0.008
Hydroelectric	\$1.415	\$0.735	\$0.680
Depreciation	\$7.647	\$7.101	\$0.546
<b>TOTAL</b>	<b>\$28.703</b>	<b>\$26.567</b>	<b>\$2.136</b>

Hydroelectric operating costs nearly doubled to \$1.4 million to operate the temporary water supply (at \$93 per acre-foot of water, this is nearly equal to the cost of Folsom Lake water pumped to the plant).

This is offset by major reductions in Legal and lessor reductions in Finance and Engineering. Legal costs returned to a more normal level from the high costs of litigation and settlements experienced in 1998. Finance shed some of its one-time costs associated with the new computer system, and Engineering savings were related to a series of vacant positions. All departmental expenditures were within budget except legal which was \$106,500 above the level budgeted (funded from transfers from claims reserves).

### *Non-operating Revenue (Expenses)*

These include those revenues and expenses that do not associate directly with operations. On balance, the District collected a net \$19.7 million from this classification. This is \$4.3 million more than budgeted and \$6.9 million more than collected in 1998. On the revenue side, this includes debt surcharges, facility capacity charges, property taxes, interest income and flood damage reimbursements. This was the result of the implementation of the 1999 sewer FCC increases and higher than typical sales activity. On the expenditure side, it includes debt interest expense, and reimbursable work-orders. Highlights include:

- ◆ District FCC sales increased 77.3% to \$9.6 million – \$3.5 million more than budgeted
- ◆ Debt surcharges increased 9.9% to \$3.8 million – 10.6% more than budgeted
- ◆ Property taxes increased 6.0% to \$4.4 million



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- ◆ Interest income decreased 27% to \$2.8 million – this reflects decreasing fund balances, changing market rates and changing of unrealized losses to this account<sup>14</sup>
- ◆ Flood damage reimbursements totaled \$2.6 million (primarily as a result of a claims appeal for excess power costs associated with pumping water to make up for the loss of Project 184 water). An additional \$3.6 million can be expected for the repairs to Project 184 once the repairs are completed and qualified

As discussed earlier, the District's retained earning status does not necessarily reflect the District's solvency. As during the "Great Depression," this could simply be an indicator of being land-rich and cash-poor. Fortunately, as explained in the discussion of District assets, EID has \$85.7 million in "current" assets (cash and receivables). Much is in a restricted or committed status. This is almost equal to its outstanding debt of \$94.5 million.

### *Statement of Cashflows*

This statement has changed substantially from that portrayed in 1998. Where 1998 showed an overall \$9.2 million loss in position over 1997, 1999 cash and cash equivalents increased nearly \$15.9 million. The prior years portrayed the spend-down of bond funds gained from the 1996, \$69.4 million revenue bond sale. For 1999 the reverse was true. The District received \$15.0 million from the PG&E Asset Transfer Agreement for Project 184, and it issued nearly \$13.7 million in new revenue bonds. The latter was tempered somewhat by the redemption of \$8.3 million in outstanding State Safe Drinking Water Bond Law debt.

<sup>14</sup> EID uses a passive "investment philosophy. It buys and holds investment to maturity and does not realize losses on its investments.

The Supplemental Schedule Combining Statement of Cash flows presents cash flows by subfund. The District *Operations Fund* ended the year with a \$4.2 million decrease leaving a \$10.0 million balance. As in 1998, there was a substantial CIP contribution from both bond and District funds, but this trend cannot be long sustained.

As expected from the above note, the *Capital Improvement Fund* gained substantially (\$5.5 million), this is consistent with its role (funds flow to the construction fund for investment in facilities). What is not consistent, is the carry over of \$34.9 million in this fund. This is more than the \$29.1 million carried over in this fund in 1998 and indicates that moneys are being held pending some future construction date. This could infer that the District has used its capital construction funds as planned – a major issue in establishing the District's need for funds and its creditworthiness. Staff is working to establish a better linkage with capital funding and actual construction investments-to assure consistent spend-down of capital funds.

The Eldorado Public Agency Financing Authority is reported in a separate column from the Debt Service subfund in 1999. Taken together these two columns show a net decrease of \$1.6 million in cash position at year-end reflecting the revenue bond issuance, the State loan defeasance and regular debt service payments.

In all, the report portrays the District in a robust manner. In fact, in spite of past protestations about the role of bond payoffs vs. bond issuance's distorting the perspective of the District's overall fiscal integrity, these issues pretty much offset each other. In this picture, we see real gains made in operational funds resulting from positive ending balances between operating revenues and expenses, the gains made from the sale of service connections, and the cash



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received from the transfer of Project 184 to EID.

### The Future

Two new Board members were seated on the Board as a result of the November 2, 1999 elections. This has resulted in a shifting in the overall philosophy of the Board. This Board was elected on a platform of rate control, pay-as-you go financing, and operational accountability. The March 22, 2000 Board workshop helped frame this direction as the District's mission and goal statements were updated. The workshop enabled the Board and staff to reflect on past progress and to focus on upcoming challenges and to identify a common ground in the future.

Pending issues include the following:

Gaining ownership of EID's two primary, up-stream water supplies:

- ◆ The *Conditional Asset Transfer Agreement* negotiated in April 1998 with PG&E for the El Dorado Canal and Hydroelectric facility has been approved by FERC and the CPUC. This affirmed District ownership over this facility; however, major repairs will be needed to bring it fully operational
- ◆ Legislation has been drafted and is pending before Congress. This will sell the Sly Park unit of the Central Valley Project to the District

General direction has been made on acquiring and developing future water supplies:

- ◆ A general strategy of converting District-owned, ditch water rights for potable use has been approved by the Board. This will provide additional

water for consumptive use in the range of 600 to 4,300 acre feet<sup>15</sup>

- ◆ A minimum of 7,500 acre feet of USBR water enabled by PL 102-451 (Fazio) is being negotiated on behalf of the District by the El Dorado County Water Agency (a total of 15,000 acre feet is available)
- ◆ 17,000 acre feet of new consumptive water rights from Project 184 water is scheduled for the year 2009 or later pending completion of environmental and court challenges

The design and location of a safe and adequate District headquarters facilities has been given the "go ahead" – in an incremental expansion of the current site focusing first on customer service needs:

- ◆ A \$7.2 million, Phase I and II project providing for facilities for meeting customer services needs has been identified and was budgeted in the 1999, 5-year CIP
- ◆ Future phases for operations and fleet needs have been identified with the ultimate project totaling \$12.3 million

A revised master facilities planning process has been initiated and staff assigned to continue the planning process:

- ◆ The *Water Supply Master Plan* will be presented to the Board in August 2000, and the Wastewater master planning processes is scheduled to resume focusing on sewage collection system issues (completion is scheduled for December 2000)

<sup>15</sup> This apparent wide-range of estimates is the result of the specific ditch diversions which will be included in the transfer. At a minimum, the consumptive firm yield of Weber lake will be available (600 acre feet). When diversions from Hangtown Creek, Weber Creek, Slab Creek, and the Crawford ditch are added in, the yield tallies out to the indicated high range of 4,300 acre feet.



## 1999 Comprehensive Annual Financial Report

- ◆ A generalized, performance measurement and accounting process to enable tracking of effectiveness compared with internal and external benchmarking is in development
- ◆ The District Mission statement and its enabling goal statements were updated in the March 22, 2000 Board workshop. This will better point the direction to the future
- ◆ A business-planning model was drafted to lay the groundwork for correcting potential fiscal deficiencies. This will help assure that the District is pursuing directions that are consistent with its *raison d'être* and fiscal prudence. This will ensure that necessary tactical strategies are initiated to bring facilities on line when needed with adequate funding

year of expansion. A total of 859 water and 956 sewer connections were sold – substantially more than the level budgeted. Additionally, 257 EDU's of reclaimed service were connected – under the Serrano agreement. The District now serves more than 12,700 sewer and 29,840 water accounts.

### *Sales*

1999 was a higher than normal rainfall year building up the District's water supplies. Summer demand was above normal with nearly 35,500 acre-feet of water delivered to customers (versus 30,030 acre-feet taken in 1998). Water sales revenue was 15.7% greater than 1998 and 2.5% above budgeted levels. Sewer sales revenues increased 64.1% (more than equaling the 62.4% rate increase). The difference was a result of a 5.9% increase in new customer accounts.

## Conclusions

### *Overview*

In general, 1999 was an up-beat year from a financial standpoint. From a consumer standpoint, water was delivered reliably and healthfully, at a competitive cost; sewage was removed and treated, but at a comparatively high cost. The increasing costs associated with the new sewage treatment processes leveled off, and with a more normalized operation, staff is reviewing all operational processes to make any reasonable savings consistent with discharge standards. Sewer rate structures are designed to fully recover operating and debt expenditures with a nominal capital replacement contribution.

The local economy continues to show improvement and is now entering its fifth



### *Compliance*

The Department of Health Services uncovered reservoir compliance order resulted in added levels of water monitoring, water purchases, and water pumping to areas that otherwise would have flowed by gravity. All of which are performed at higher than usual costs. This will continue through 2002 as the reservoirs are converted to steel tanks and covered concrete reservoirs.

### *CIP*

The District continues with an aggressive CIP/Capital Replacement Program (CRP). While reduced substantially from the 5-year forecast provided last year, this program still exceeds current revenue projections. It will require debt or other financing programs to totally bring on line in the time scheduled. The District is reviewing and adjusting its rate structures to prepare for this eventuality. Further, as noted, the current fiscally

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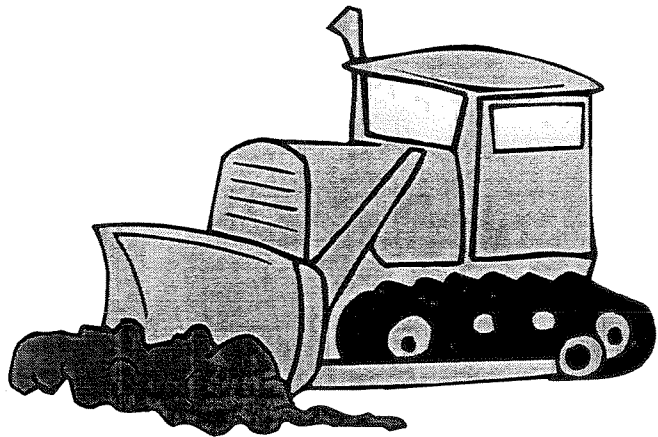
conservative policy direction may utilize this option only as a last resort – with the concurrence of the community. A “capital facility financing master plan” is scheduled for early in 2001 following policy direction on the District’s facility planning processes.

### Planning

Like many local entities, the District finds itself in a dynamic tension between growth and non-growth issues. This is manifested in initiatives, law suits, political haranguing, and general discord. El Dorado County’s *Measure Y – the Traffic Control Initiative*, together with the successful challenge of the *El Dorado County General Plan EIR* typifies this dilemma. Until these issues are resolved and until the District affirms how it will follow the *General Plan*, District plans will be remain in a state of flux.



The District’s 1998 business planning exercise explored a range of potential environmental strategies – issues arising out of the various compliance dictates coming down on the District. It found that the District was poised at a point where major administrative and policy action was necessary, and these were addressed. As a consequence, specific fund balances appear less dire, as the District has taken the administrative and rate-based actions to put it back on the track to fiscal solvency. The rate-setting exercises resulting from this task were based in the knowledge of the District’s and community’s capacity to absorb the major rate changes.



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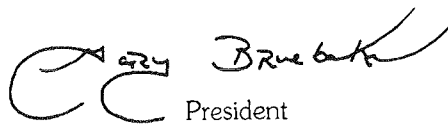
Presented to


El Dorado Irrigation District,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



  
President

  
Executive Director

The Government Finance Officers Association for the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to El Dorado Irrigation District for its comprehensive annual financial report for the fiscal year ended December 31, 1999. This was the 3 consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
El Dorado Irrigation District  
Placerville, California

We have audited the general purpose financial statements of the El Dorado Irrigation District as of and for the year ended December 31, 1999 as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of and for the year ended December 31, 1998 were audited by other auditors whose report dated March 5, 1999 was unqualified.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly in all material respects the financial position of the El Dorado Irrigation District at December 31, 1999 and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information, which is also listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such supplemental information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and in our opinion is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Maze & Associates*

May 24, 2000

EL DORADO IRRIGATION DISTRICT  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 1999 AND 1998

ASSETS	<u>1999</u>	<u>1998</u>
Utility Plant		
Water and wastewater facilities and improvements	\$292,889,500	\$278,938,751
Hydroelectric plant facilities and improvements	3,111,420	1,558,980
Buildings and structures	5,056,449	4,762,498
Equipment and furniture	<u>7,510,009</u>	<u>6,465,792</u>
Total Facilities and Equipment	308,567,378	291,726,021
Less Accumulated depreciation	<u>(70,703,810)</u>	<u>(63,234,458)</u>
Utility Plant in Service, net	237,863,568	228,491,563
Land	5,306,862	5,306,862
Construction in progress	<u>22,207,092</u>	<u>16,955,481</u>
Total Utilities Plant	<u>265,377,522</u>	<u>250,753,906</u>
Other Long-Term Assets		
Deferred debt issuance costs	1,030,226	766,248
Notes receivable	<u>109,414</u>	<u>112,500</u>
Total Long-Term Assets	<u>266,517,162</u>	<u>251,632,654</u>
Current Assets		
Cash and investments (Note 3)	77,249,259	61,299,473
Taxes receivable	2,549,792	2,451,910
Accounts receivable, net of allowance	2,532,072	1,419,265
Grants receivable	2,052,498	
Interest receivable	988,663	748,208
Prepaid expenses	130,338	176,826
Plant and supplies	<u>292,398</u>	<u>284,137</u>
Total Current Assets	<u>85,795,020</u>	<u>66,379,819</u>
Total Assets	<u><u>\$352,312,182</u></u>	<u><u>\$318,012,473</u></u>

See accompanying notes to general purpose financial statements.

EL DORADO IRRIGATION DISTRICT  
COMPARATIVE BALANCE SHEETS  
DECEMBER 31, 1999 AND 1998

LIABILITIES AND FUND EQUITY	1999	1998
Long-Term Liabilities		
Contracts and bonds payable (Note 6)	\$94,199,212	\$90,960,534
Capital leases payable (Note 6)	353,324	6,328
Total Long-Term Liabilities	94,552,536	90,966,862
Current Liabilities		
Current portion of contracts, bonds payable and capital leases (Note 6)	2,959,771	2,985,558
Deposits	1,089,919	1,354,896
Accounts payable	2,310,504	864,492
Accrued salaries and benefits	441,588	437,845
Interest payable	1,627,553	1,671,041
Accrued vacation	470,780	435,209
Claims payable (Note 8)	358,000	2,199,951
Deferred revenue	15,902,377	1,000,598
Total Current Liabilities	25,160,492	10,949,590
Total Liabilities	119,713,028	101,916,452
Fund Equity		
Contributed capital (Note 2C)	69,930,123	67,682,831
Retained earnings		
Reserved	56,643,104	10,037,031
Unreserved	106,025,927	138,376,159
Total Retained Earnings	162,669,031	148,413,190
Total Fund Equity	232,599,154	216,096,021
Total Liabilities and Fund Equity	\$352,312,182	\$318,012,473

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT  
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<b>OPERATING REVENUES</b>		
Water sales	\$11,022,101	\$9,527,105
Reclaimed water reimbursement/sales	234,304	106,045
Wastewater sales	8,359,763	5,095,974
Wastewater services	36,344	66,614
Hydro-Revenue loss reimbursement		789,542
Recreation fees	516,429	460,905
Water service	<u>1,180,124</u>	<u>682,668</u>
 Total Operating Revenues	 <u>21,349,065</u>	 <u>16,728,853</u>
<b>OPERATING EXPENSES</b>		
Operations and maintenance	9,956,141	8,857,258
Depreciation	7,646,949	7,101,032
General and administrative	1,303,927	1,227,012
Finance	2,864,360	2,940,271
Legal	1,053,871	1,331,507
Engineering	1,519,994	1,509,079
Electricity	1,797,320	1,796,502
Hydroelectric operations	1,414,954	735,171
Purchase of water	653,534	585,393
Recreation operations	<u>492,498</u>	<u>484,448</u>
 Total Operating Expenses	 <u>28,703,548</u>	 <u>26,567,673</u>
 OPERATING (INCOME) LOSS	 <u>(7,354,483)</u>	 <u>(9,838,820)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Property taxes	4,364,904	4,116,097
Investment income	2,786,610	3,796,313
Facility capacity charges	9,582,702	5,404,752
Surcharges	3,848,999	3,503,528
USBR voter-approved taxes	798,645	714,551
Flood damage reimbursement	2,546,789	57,496
Other income (Note 2S)	190,568	153,241
Interest expense	(4,094,840)	(4,324,879)
Amortization of deferred debt issuance costs	(222,357)	(197,097)
Other expense (Note 2S)	<u>(79,003)</u>	<u>(389,126)</u>
 Net Nonoperating Revenues (Expenses)	 <u>19,723,017</u>	 <u>12,834,876</u>
 Income (Loss) Before Operating Transfers	 <u>12,368,534</u>	 <u>2,996,056</u>
<b>OPERATING TRANSFERS</b>		
Operating transfers in	27,675,948	26,236,796
Operating transfers out	<u>(27,675,948)</u>	<u>(26,236,796)</u>
 NET INCOME (LOSS)	 12,368,534	 2,996,056
 Add depreciation expense on contributed assets	 <u>1,643,788</u>	 <u>1,561,742</u>
 Increase in retained earnings	 14,012,322	 4,557,798
 RETAINED EARNINGS, BEGINNING OF YEAR	 148,413,190	 145,793,071
 Prior Period Adjustment	 <u>243,519</u>	 <u>(1,937,679)</u>
 RETAINED EARNINGS, END OF YEAR	 <u>\$162,669,031</u>	 <u>\$148,413,190</u>

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT  
COMPARATIVE STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	(\$7,354,483)	(\$9,838,820)
Adjustments to reconcile operating income loss to cash flows from operating activities:		
Depreciation and amortization	7,646,949	7,101,032
Decrease (increase) in:		
Accounts receivable	(1,115,757)	305,052
Grants receivable	(2,052,498)	
Interest receivable	(240,455)	
Prepaid expenses	46,488	91,850
Parts and supplies	(8,261)	(6,514)
Increase (decrease) in:		
Deposit payable	(264,977)	3,390
Accounts payable	1,446,012	(1,559,704)
Accrued salaries and benefits	3,743	75,049
Interest payable	(43,488)	
Accrued vacation	35,571	61,706
Accrued liabilities	(1,841,951)	291,516
Deferred revenue	14,901,779	945,491
	<u>11,158,672</u>	<u>(2,529,952)</u>
Cash Flows from Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in notes receivable	3,086	(112,500)
Investment income	2,786,610	4,362,061
	<u>2,789,696</u>	<u>4,249,561</u>
Net Cash Used for Investing Activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advalorum taxes received	795,695	5,755,648
	<u>795,695</u>	<u>5,755,648</u>
Cash Flows from Noncapital Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Additions to utility plant	(18,378,745)	(17,839,005)
Deferred debt issuance costs	(486,335)	
Principal payments on contracts and bonds payable	(10,379,356)	(5,499,589)
Proceeds from issuance of debt	14,182,022	
Contributions from customers and grants		52,483
Property and assessment taxes received	3,474,277	2,307,799
Facility capacity charges and surcharges	9,582,702	5,404,752
Water and wastewater surcharges	3,848,999	3,503,528
Other income	3,536,002	210,737
Interest paid	(4,094,840)	(4,437,006)
Other expense	(79,003)	(389,126)
	<u>1,205,723</u>	<u>(16,685,427)</u>
Cash Flows from Capital and Related Financing Activities		
NET CASH FLOWS	15,949,786	(9,210,170)
Cash and cash equivalents at beginning of year	61,299,473	70,509,643
Cash and cash equivalents at end of year	<u>\$77,249,259</u>	<u>\$61,299,473</u>
Noncash Investing and Financing Activities		
Receipt of contributed assets	<u>\$3,891,080</u>	<u>\$3,260,195</u>
Change in fair value of investments	<u>\$387,904</u>	<u>\$61,553</u>

See accompanying notes to general purpose financial statements

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 1 - GENERAL**

El Dorado Irrigation District (the District) is a political subdivision of the State of California, providing water, wastewater and water-related recreation services to residents of the District. The District is governed by a Board of Directors, which is elected by the residents of the District.

The accounting principles of the District conform with generally accepted accounting principles as applicable to governmental type organizations. These financial statements present the District and its one component unit, an entity for which the District is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement Number 14.

The District has created the Eldorado Public Agency Financing Authority to provide assistance to the District in the issuance of debt. Debt issued by the Authority is reflected as debt of the Irrigation District in these financial statements. The Authority has no other transactions and does not issue separate financial statements.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**A. *Basis of Accounting***

The District is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets and all liabilities of the enterprise are recorded on its balance sheet, and under the full accrual basis of accounting all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred. Enterprise fund equity includes retained earnings and contributed capital.

**B. *Utility Plant***

Utility Plant is stated at cost. Assets acquired through contributions are reported at estimated fair market value at the date of acquisition.

**C. *Depreciation***

The purpose of depreciation is to spread the cost of fixed assets equitably among all customers over the life of the assets, so that each customer's bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of utility plant cost.

<b>EL DORADO IRRIGATION DISTRICT</b> <b>Notes to General Purpose Financial Statements</b>
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<b>NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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Depreciation of all fixed assets in service is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the fixed assets.

Depreciation of fixed assets in service is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to fixed assets:

	<u>Useful Lives</u>
Facilities and improvements	30-50 years
Buildings and structures	40 years
Equipment and furniture	5 years

Depreciation on contributed assets is charged to contributed capital. Balance as of December 31, 1999 is as follows:

Balance, January 1, 1999	\$67,682,831
Contributions from customers and grants	3,891,080
Depreciation expense on contributed assets	<u>(1,643,788)</u>
Balance, December 31, 1999	<u><u>\$69,930,123</u></u>

**D. Cash and Cash Equivalents**

For purposes of the statement of cash flows the District defines cash and cash equivalents to include all cash and temporary investments with original maturities of three months or less from the date of acquisition, and all pooled deposits and investments of the Local Agency Investment Fund.

**E. Accounts Receivable**

Accounts receivable arise from billings to customers for water used and certain improvements made to customer's property. Substantially all of the District's sales are to customers located within the District's boundaries. Uncollectible amounts from individual customers have not been significant.

**F. Parts and Supplies**

Parts and supplies are used internally and are valued at cost, using the first-in, first-out method.

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. *Deferred Debt Issuance Costs***

The District amortizes these costs pro rata over the term of the related debt issues.

**H. *Restricted Cash and Investments***

The District is required by its debt agreements and its contract with the United States Bureau of Reclamation (USBR) to restrict certain amounts of cash and investments for construction projects and payment of debt service

**I. *Retained Earnings***

The District has reserved a portion of retained earnings to meet costs incurred for certain recreation facilities during periods of special stress caused by damaging droughts, storms, earthquakes, floods, or other emergencies threatening or causing interruption of water service.

**J. *Compensated Absences***

The liability for vested vacation pay is recorded as an expense when the vacation is earned. At the end of the year, District employees can carry over up to 160 hours of unused vacation to the next fiscal year. Unused vacation leaves are paid at the time of termination from the District's employment. Unused sick leave is applied to California Public Employees' Retirement System service credits for retirement purposes.

**K. *Self-Insurance***

The District is self-insured for vision and dental care benefits. Management is of the opinion that recorded liabilities for self-insured claims and incidents incurred but not reported at December 31, 1999 and 1998, are adequate. The District maintains general liability coverage from an insurance carrier in the amount of \$10,000,000 per occurrence, with a deductible of \$25,000.

**L. *Revenue Recognition***

Revenues from water services furnished to customers are recorded in the financial statements when billed. All customers are billed monthly.

**M. *Facility Capacity Charges and Surcharges***

Facility capacity charges and surcharges (FCCs) represent amounts charged to new customers to establish service at a location not previously served by the District. These charges are expected to provide financing for system capacity improvements.

**N. *USBR Voter-Approved Taxes***

USBR voter-approved taxes represent amounts charged to cover U.S. Bureau of Reclamation debt service on borrowings used to construct certain District infrastructure.



**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***O. Property Taxes***

Revenue is recognized in the fiscal year for which the taxes are levied. The County of El Dorado levies, bills and collects property taxes for the District. Property tax is levied on September 1. It is due in two installments, on December 1 and April 1.

***P. Budgets and Budgetary Accounting***

The District adopts an annual budget in December each year. The budget is subject to supplemental appropriations throughout its term in order to provide flexibility to meet changing needs and conditions. The Department Heads can approve transfers within their own Departmental Operations budget. Budget transfers between two Departments requires the approval of the respective Department Heads. The General Manager may approve the transfer of appropriations from one department to another and transfers of \$50,000 or less from the District's contingency fund. All other transfers must be approved by the Board of Directors. Board may approve additional appropriations throughout the year as well.

Budgeted amounts reported in the accompanying financial statements include budgeted amounts originally adopted, plus amendments. Amendments were not material in relation to the original appropriations, which were amended.

***Q. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***R. Accounting Pronouncements***

The District applies all applicable Government Accounting Standards Board (GASB) pronouncements as well as certain Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The District applies all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

***S. Other Income and Expenses***

The other income account includes funds collected by the District for rental activity, surplus sales, service fees charged, warehouse sales, and sales of plans, specs and copies. The other expense account represents amounts incurred by the District for bad debts and warehouse costs.

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS**

**A. Collateral**

Cash deposits are entirely insured or collateralized by the institution holding the deposit. California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all public agency deposits. This collateral remains with the institution but is considered to be held in the District's name and places the District ahead of general creditors of the institution. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The carrying amount of the District's cash deposits was \$791,917 at December 31, 1999. Bank balances before reconciling items were \$918,510 at that date, of which \$107,783 was insured (Category 1) and \$810,727 was collateralized (Category 2) as discussed above.

**B. Credit Risk, Carrying Amount and Market Value of Investments**

The District invests in individual investments and in an investment pool. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to maximize security, the District employs the Trust Department of a bank as the custodian of its investments with the U.S. Government or its agencies, regardless of their form.

The District categorizes its individual securities instruments in ascending order to reflect the relative risk of loss of these instruments. This risk is called Credit Risk, the lower the number, the lower the risk. The three levels of risk prescribed by generally accepted accounting principles are described below:

**Category 1** – Securities instruments in this category are in the District's name and are in the possession of the Trust Department of the bank employed by the District solely for this purpose. The District is the registered owner of securities held in book entry form by the bank's Trust Department.

**Category 2** – Securities instruments and book entry form securities in this category are in the bank's name but are held by its Trust Department in a separate account in the District's name.

**Category 3** – At December 31, 1999 none of the District's investments are in this category, which would include only District-owned securities instruments or book entry form securities which were not in the District's name or which were not held by the bank's Trust Department.

**Pooled Investments** – Pooled investments are not categorized because of their pooled, rather than individual, nature.

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations.

Investments are carried at fair market value and categorized as follows at December 31, 1999:

	1999		1998
	Cash and investment	Restricted Cash	
<i>Individual Investments (Category 1):</i>			
US treasury bills and notes	\$4,954,688		\$4,954,688
Agency securities	12,964,357		12,964,357
Corporate notes and bonds	8,641,757		8,641,757
<i>Pooled Investments (Non Categorized):</i>			
Mutual Funds (U.S. Securities)		\$4,514,393	4,514,393
Local Agency Investment Fund	18,773,555	8,086,733	26,860,288
Investment Agreement		18,521,859	18,521,859
Total Investments	45,334,357	31,122,985	76,457,342
<i>Cash held by District</i>	791,917		791,917
Total Cash and Investments	<u>\$46,126,274</u>	<u>\$31,122,985</u>	<u>\$77,249,259</u>

**C. Authorized Investments**

The District's investment policy and the California Government Code allow the District to invest in the following types of investments:

- Local Agency Investment Fund
- U.S. Treasury Issues
- Government Agency Obligations
- Banker's Acceptance
- Commercial Paper
- Medium Term Corporate Notes
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Mutual Funds
- Collateralized Negotiable Investments

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Bond proceeds may also be investments in accordance with the statutory provisions governing the issuance of those bonds. The District's investments are carried at fair market value as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair market value at each fiscal year end, and it includes the effects of these adjustments in income for that year.

**D. Market Risk and Investment Maturities**

The District limits market risk by limiting the types and maturities of its investments and by not borrowing against its investments. Investment yield is ranked after safety and liquidity in making investment decisions. All investments are held to maturity and maturities are matched to the District's projected cash flow needs. Investments at fair market value mature as follows at December 31:

	1999	1998
Current to one year	\$59,328,505	\$43,233,168
One to three years	13,060,392	2,310,449
Three to five years	4,860,362	15,755,856
Total	\$77,249,259	\$61,299,473

**NOTE 4 - DISTRICT EMPLOYEES RETIREMENT PLAN**

**A. CALPERS Miscellaneous Employees Plan**

Substantially all District employees are eligible to participate in pension plans offered by California Public Employees Retirement System (CALPERS) an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The District's employees participate in the Miscellaneous Employee Plans.

Benefit provisions under the Plan are established by State statute and District resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CALPERS; the District must contribute these amounts. The Plan's provisions and benefits in effect at June 30, 1998, are summarized below:

	Miscellaneous
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50
Monthly benefits, as a % of annual salary	1.426%-2.418%
Required employee contribution rates	7%
Required employer contribution rates	0%
Actuarially required contributions and net pension cost paid by the District.	\$237,755

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 4 - DISTRICT EMPLOYEES RETIREMENT PLAN (Continued)**

The District pays one half of the employee contributions as well as the employer contributions.

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the District's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the pension benefit obligation. The District does not have a net pension obligation since it pays these actuarially required contributions monthly.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 8.25% is assumed, including inflation at 3.5%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

The Plans' actuarial value (which differs from market value) and funding progress over the past three years is set forth below at their actuarial valuation date of June 30:

*Miscellaneous Plan:*

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
1996	\$16,466,260	\$17,395,391	(\$929,131)	105.64%	\$7,292,717	(12.74%)
1997	17,643,629	20,667,251	(3,023,622)	117.14%	8,221,897	(36.78%)
1998	20,766,920	24,988,418	(4,221,498)	120.33%	8,125,576	(51.95%)

Audited annual financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

PERS has reported that the net assets in the Plans held for pension benefits changed as follows during the year ended June 30, 1998:

Actuarial value of assets as of June 30, 1997	<u>\$20,667,251</u>
Contributions received	881,100
Benefits and refunds	(653,274)
Expected investment earnings	<u>1,714,260</u>
Expected actuarial value of assets as of June 30, 1998	<u>\$22,609,337</u>
Market value of assets as of June 30, 1998	<u>\$27,764,909</u>
Actuarial values of assets as of June 30, 1998	<u>\$24,988,418</u>

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 4 - DISTRICT EMPLOYEES RETIREMENT PLAN (Continued)**

**B. Social Security**

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing system as of January 1, 1992 be covered by either Social Security or an alternative plan.

Part-time seasonal and temporary employees are covered under Social Security, which requires these employees and the District to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended December 31, 1999 amounted to \$1,172,948 of which the District paid half.

**NOTE 5 - DEFERRED COMPENSATION PLAN**

District employees may defer a portion of their compensation under a District sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to District control, they have been excluded from these financial statements.

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 6 - LONG TERM DEBT**

**A. Current Year Transactions and Balances**

The District's debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Issue Amount	Balance Dec 31, 1998	Additions	Retirements	Bond Discount & Advance Funding Costs on Defeasance	Balance Dec 31, 1999
<i>General Long Term Debt:</i>						
<b>Liability to the United States Government</b>						
0-3.5%, due through 2028	\$25,000,000	\$15,774,266		\$638,160		\$15,136,106
<b>EDA Loan, 5%, due 7/1/2017</b>	2,306,000	2,076,225		75,050		2,001,175
<b>State of California Loans</b>						
3.2205%, due through 2018	10,026,217	8,444,424		8,292,426		151,998
<b>County of El Dorado Note, 5%, due when     construction financing has been obtained     and construction has commenced</b>	5,878,360	2,317,705		382,666		1,935,039
<b>Revenue Bonds</b>						
<b>1996 Series, 3.65-5.6%, due 2/15/21</b>	69,415,000	67,265,000		1,615,000	\$1,788,976	63,861,024
<b>1999 Series, 4.4%-6.375%, due 2/15/25</b>	13,685,000		\$13,685,000		33,923	13,651,077
<b>Motor Vehicles Capital Lease,     4.56%, due 6/1/04</b>	497,022		497,022	55,881		441,141
	<u>\$126,807,599</u>	<u>\$95,877,620</u>	<u>\$14,182,022</u>	<u>\$11,059,183</u>	<u>\$1,822,899</u>	<u>\$97,177,560</u>
						Add: Revenue bonds arbitrage liability 334,747
						Less: Current portion of long-term debt 2,959,771
						<u>Total Long-Term Liability \$94,552,536</u>

**B. Description of the District's Long Term Debt Issues**

**Liability to the United States Government** – The U.S. Bureau of Reclamation constructed the original infrastructure of the District. That construction was financed with the issuance of United States Government debt. Under its agreement with the Bureau, the District is responsible for funding the repayment of this debt. Approximately 86% of the debt is related to construction for agricultural use, 12% of the debt issuance does not bear any interest, and the remaining debt bears interest at 3.5%.

**EDA Loan** – On August 22, 1977, the District borrowed \$2,306,000 from the Economic Development Administration, US Department of Commerce, under the Community Emergency Drought Relief Program.

**State of California Loans** – The State of California, Department of Water Resources issued several Safe Drinking Water loans to finance water filtration and other water quality projects. In 1999, the District repaid two of the three outstanding loans. Loan payments for the remaining loan are due semi-annually on April 1 and October 1. In November 1999, the State of California department of Water Resources approved the District's application of four additional safe water drinking loans in the aggregate amount of approximately \$4,800,000.

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 6 - LONG TERM DEBT (Continued)**

*County of El Dorado Note* – On February 6, 1996, the District purchased the Texas Hill property from the County under an installment purchase, which called for five annual payments of \$500,000 commencing September 1, 1996. An additional payment of \$3,378,368 is due if the District obtains construction financing for and commences construction on the Texas Hill Reservoir. In the event that the property is sold or used for any purpose inconsistent with the development of the Texas Hill Reservoir, any funds received must be used to fund the development of increased water supplies or increased waste water capacity for the benefit of customers or potential customers of the District, but no additional payment is due the County.

**1996 Revenue Bonds** -- On April 1, 1996, the District issued the 1996 Revenue Bonds in the amount of \$69,415,000. Proceeds from these bonds were used to refund the District's outstanding certificates of participation and to finance the costs of improvements to the District's water supply, wastewater treatment and hydroelectric facilities. The Bonds are secured by a lien on the net revenue of these facilities. Principal payments are payable annually on February 15 and interest payments semi-annually on February 15 and August 15.

**1999 Revenue Bonds** -- On December 3, 1999, the District issued the 1999 Revenue Bonds in the amount of \$13,685,000. Proceeds from these bonds were used to finance certain improvements to the District's sewer and water systems and facilities. The Bonds are secured by a lien on the net revenue of these facilities. Commencing August 15, 2000, principal payments are payable annually on February 15 and interest payments semi-annually on February 15 and August 15.

**C. Motor Vehicles Capital Lease**

In 1999, the District leased motor vehicles under an agreement calling for payment of the cost of the vehicles plus interest at an adjustable rate over a sixty-month period from the acquisition date of the vehicles. Since the District becomes the owner of the vehicles at the end of the lease, it has recorded the lease liability as debt.

**D. Debt Service Requirements**

Annual debt service requirements are shown below for all long-term debt except equipment leases:

For the Year Ending December 31	United States Government Bonds	EDA Loan	State of California Loans	County of El Dorado Note	Revenue Bonds	Capital Leases	Totals
2000	\$773,920	\$161,102	\$10,758	\$500,000	\$5,726,298	\$106,869	\$7,278,947
2001	788,290	161,102	10,758		6,221,859	111,730	7,293,739
2002	829,660	161,102	10,758		6,217,690	111,730	7,330,940
2003	853,015	161,102	10,758		6,216,496	111,730	7,353,101
2004	891,476	161,102	10,758		6,217,970	49,631	7,330,937
Thereafter	11,894,354	2,094,176	150,607	3,378,360	109,191,199		126,708,696
	16,030,715	2,899,686	204,397	3,878,360	139,791,512	491,690	163,296,360
Less amount representing interest	894,609	898,511	52,399	1,943,321	60,456,512	50,549	64,295,901
Outstanding principal balance	<u>\$15,136,106</u>	<u>\$2,001,175</u>	<u>\$151,998</u>	<u>\$1,935,039</u>	<u>\$79,335,000</u>	<u>\$441,141</u>	99,000,459
						Less bond discount	(1,511,075)
						Less advance funding costs on insubstance defeasance	(311,824)
						Total outstanding debt balance	<u>\$97,177,560</u>



**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 7 – HYDROELECTRIC OPERATIONS**

Under a Conditional Asset Transfer Agreement dated April 6, 1998, with Pacific Gas & Electric Company, the District has assumed responsibility for a hydroelectric facility known as Project 184. This Project comprises diversion dams, canals and hydroelectric generating equipment, which was damaged in 1997 and requires extensive work to become operable. On April 2, 1999, the Federal Energy Regulatory Commission issued its order transferring the Project power generation license to the District; approval of the California Public Utility Commission is expected to be forthcoming in 2000.

At December 31, 1999, the District had taken ownership of the Project and as part of this transaction had received \$15,000,000 from PG&E, which must be used to repair the Project and return it to operating condition.

**NOTE 8 - RISK MANAGEMENT**

**A. Coverage**

The District purchased commercial general liability insurance, which includes coverage against the following types of loss risks:

Type of Coverage	Coverage Limit	Deductible
Personal Injury	\$1,000,000	\$25,000 per occurrence
Auto liability	1,000,000	1,000 per occurrence
Blanket building, boiler & machinery, Earthquake, Flood	11,000,000	5,000 per occurrence
Contractor's equipment	500,000	1,000 per occurrence
Borrowed/rented/leased equipment	1,000,000	1,000 per occurrence

The District also purchases commercial insurance for its hydroelectric plant. The District carries insurance from the State Compensation Insurance Fund against workers' compensation claims. This insurance covers up to the statutory limit and the District does not have a deductible.

The District also provides group vision and dental coverage to employees through programs, which are administered by a service agent. The District is self-insured for both coverages.

**B. Liability for Uninsured Claims**

Municipalities are required to record their liability for uninsured claims and to reflect the current portion of this liability as expenditures or expenses in their financial statements. As discussed above, the District has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

**EL DORADO IRRIGATION DISTRICT**  
**Notes to General Purpose Financial Statements**

**NOTE 8 - RISK MANAGEMENT (Continued)**

The District's liability for uninsured claims, based on claims history, was computed as follows:

	1999			1998
	General	Dental and Vision	Total	Total
Beginning balance	\$2,081,552	\$118,399	\$2,199,951	\$1,908,434
Liability for current year claims	26,504	203,134	229,638	357,452
Increase (decrease) in estimated liability for prior year claims and claims incurred but not reported	495,443	(99,444)	395,999	216,982
Claims paid	(2,259,261)	(208,327)	(2,467,588)	(282,917)
Ending balance	<u>\$344,238</u>	<u>\$13,762</u>	<u>\$358,000</u>	<u>\$2,199,951</u>

**NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES**

The District has made application to the State Water Resources Control Board for consumptive use of 17,000 acre-feet of hydroelectric water rights after the water is used by the District and others for power production along the North Fork of the American River (the "El Dorado Project"). The District is a defendant in a legal action, which challenges the Environmental Impact Report (EIR) related to this application. The petitioners prevailed in Superior Court and have requested attorneys' fees for approximately \$278,000 in aggregate. In addition, the same plaintiffs have filed a case to challenge the District's EIR for canal repairs to the El Dorado Project, the District's lack of environmental review for the asset transfer agreement with PG&E relating to the El Dorado Project, and certain District water rights and the public trust. The environmental review challenges have been dismissed by court and the case is narrowed to a regular trial on water rights and public trust.

The District is also a defendant in a legal action, which challenges the EIR of an application for 17,000 acre-feet of water from Project 184. The District is currently attempting to work out certain mitigation with the plaintiff.

The District has filled a petition, which challenges the conditions of the Deer Creek Sewage Treatment Plant wastewater permit issued in 1997 by the California Regional Water Quality Control Board (CRWQCB). A hearing was held in September 1999 to reconsider the permit conditions. The CRWQCB granted the same permit conditions staff recommended to their Board. The permit will be appealed again. If the District's challenge is unsuccessful, it will need to construct an additional estimated \$19 million in improvements to the Deer Creek Sewage Treatment Plant to bring it into regulatory compliance. If, as anticipated, the same regulatory requirements are imposed on the El Dorado Hills Sewage Treatment Plant and legal challenges thereto are unsuccessful, an additional estimated \$26 million in improvements to that facility will be required. Such improvements to the Deer Creek and El Dorado Hills Plants may require the issuance of additional debt by the District. If the District fails to make such improvements, the CRWQCB could impose a moratorium on new connections to be serviced by the two Plants, which would adversely affect the ability of the District to generate facility connection charge revenues and could necessitate the raising of sewer rates.

EL DORADO IRRIGATION DISTRICT  
Supplemental Schedule -- Combining Balance Sheet by Subfunds  
DECEMBER 31, 1999 AND 1998

ASSETS	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
Utility Plant							
Water and wastewater facilities and improvements	\$292,738,760				\$150,740		\$292,889,500
Hydroelectric plant facilities and improvements	1,674,333					\$1,437,087	3,111,420
Buildings and structures	1,908,739				2,888,537	259,173	5,056,449
Equipment and furniture	7,091,345				267,259	151,405	7,510,009
Total Facilities and Equipment	303,413,177				3,306,536	1,847,665	308,567,378
Less Accumulated depreciation	(69,761,145)				(880,103)	(62,562)	(70,703,810)
Utility Plant in Service, net	233,652,032				2,426,433	1,785,103	237,863,568
Land	5,280,389				26,473		5,306,862
Construction in progress	1,351,643	\$14,799,543			157,245	5,898,661	22,207,092
Total Utilities Plant	240,284,064	14,799,543			2,610,151	7,683,764	265,377,522
Other Long-Term Assets							
Deferred debt issuance costs				\$1,030,226			1,030,226
Notes receivable	109,414						109,414
Total Long-Term Assets	240,393,478	14,799,543		1,030,226	2,610,151	7,683,764	266,517,162
Current Assets							
Cash and investments	10,072,162	34,853,860	\$1,318,008	14,351,198	573,967	16,080,064	77,249,259
Taxes receivable	2,106,890		400,988		41,914		2,549,792
Accounts receivable, net of allowance	3,698,041	(1,333,837)	57,574	109,002		1,292	2,532,072
Grants receivable	2,052,498						2,052,498
Interest receivable	678,945			309,718			988,663
Prepaid expenses	102,338					28,000	130,338
Parts and supplies	292,398						292,398
Intrafund receivable/payable	325,322				(325,322)		
Total Current Assets	19,328,594	33,520,023	1,776,570	14,769,918	290,559	16,109,356	85,795,020
Total Assets	<u>\$259,722,072</u>	<u>\$48,319,566</u>	<u>\$1,776,570</u>	<u>\$15,800,144</u>	<u>\$2,900,710</u>	<u>\$23,793,120</u>	<u>\$352,312,182</u>

See accompanying notes to general purpose financial statements.

EL DORADO IRRIGATION DISTRICT  
Supplemental Schedule -- Combining Balance Sheet by Subfunds  
DECEMBER 31, 1999 AND 1998

LIABILITIES AND FUND EQUITY	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
<b>Long-Term Liabilities</b>							
Contracts and bonds payable			\$18,037,364	\$76,161,848			\$94,199,212
Capital leases payable			353,324				353,324
<b>Total Long-Term Liabilities</b>			<b>18,390,688</b>	<b>76,161,848</b>			<b>94,552,536</b>
<b>Current Liabilities</b>							
Current portion of contracts, bonds payable and capital leases	\$1		1,274,770	1,685,000			2,959,771
Deposits payable	1,088,544				\$1,375		1,089,919
Accounts payable	541,645	\$752,862		13,000	(332)	\$1,003,329	2,310,504
Accrued salaries and benefits	392,679	12,773			5,521	30,615	441,588
Interest payable			101,695	1,525,858			1,627,553
Accrued vacation	429,622				22,908	18,250	470,780
Accrued liabilities	358,000						358,000
Deferred revenue	160,989				20,979	15,720,409	15,902,377
<b>Total Current Liabilities</b>	<b>2,971,480</b>	<b>765,635</b>	<b>1,376,465</b>	<b>3,223,858</b>	<b>50,451</b>	<b>16,772,603</b>	<b>25,160,492</b>
<b>Total Liabilities</b>	<b>2,971,480</b>	<b>765,635</b>	<b>19,767,153</b>	<b>79,385,706</b>	<b>50,451</b>	<b>16,772,603</b>	<b>119,713,028</b>
<b>Fund Equity</b>							
Contributed capital	67,146,935	375,010			2,408,178		69,930,123
Retained earnings							
Reserved	18,516,202	18,808,110	5,148,853	6,594,508	514,185	7,061,246	56,643,104
Unreserved	171,087,455	28,370,811	(23,139,436)	(70,180,070)	(72,104)	(40,729)	106,025,927
<b>Total Retained Earnings</b>	<b>189,603,657</b>	<b>47,178,921</b>	<b>(17,990,583)</b>	<b>(63,585,562)</b>	<b>442,081</b>	<b>7,020,517</b>	<b>162,669,031</b>
<b>Total Fund Equity</b>	<b>256,750,592</b>	<b>47,553,931</b>	<b>(17,990,583)</b>	<b>(63,585,562)</b>	<b>2,850,259</b>	<b>7,020,517</b>	<b>232,599,154</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$259,722,072</b>	<b>\$48,319,566</b>	<b>\$1,776,570</b>	<b>\$15,800,144</b>	<b>\$2,900,710</b>	<b>\$23,793,120</b>	<b>\$352,312,182</b>

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT  
Supplemental Schedule - Combining Statements of  
Revenues, Expenses and Changes in Retained Earnings by Subfunds  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Totals
<b>OPERATING REVENUES</b>							
Water sales	\$11,015,323					\$6,778	\$11,022,101
Reclaimed water reimbursement/sales	234,304						234,304
Wastewater sales	8,359,763						8,359,763
Wastewater services	36,344						36,344
Hydroelectric revenues							
Hydro-Revenue loss reimbursement							
Recreation fees					\$516,429		516,429
Water service	1,180,124						1,180,124
Total Operating Revenues	<u>20,825,858</u>				<u>516,429</u>	<u>6,778</u>	<u>21,349,065</u>
<b>OPERATING EXPENSES</b>							
Operations and maintenance	9,947,872				2,852	5,417	9,956,141
Depreciation	7,534,462				87,712	24,775	7,646,949
General and administrative	1,303,927						1,303,927
Finance	2,864,360						2,864,360
Legal	1,053,871						1,053,871
Engineering	1,519,934					60	1,519,994
Electricity	1,789,286				7,565	469	1,797,320
Hydroelectric operations						1,414,954	1,414,954
Purchase of water	653,534						653,534
Recreation operations					492,498		492,498
Total Operating Expenses	<u>26,667,246</u>				<u>590,627</u>	<u>1,445,675</u>	<u>28,703,548</u>
OPERATING (INCOME) LOSS	<u>(5,841,388)</u>				<u>(74,198)</u>	<u>(1,438,897)</u>	<u>(7,354,483)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>							
Property taxes	4,278,361				86,543		4,364,904
Investment income	848,102		\$534,387	\$1,156,559	41,548	206,014	2,786,610
Facility capacity charges	5,530,350			4,052,352			9,582,702
Surcharges	959,494		1,519,575	1,369,930			3,848,999
USBR voter-approved taxes			798,645				798,645
Penalties and interest on assessments							
Flood damage reimbursement	2,057,998				884	487,907	2,546,789
Other income	171,383		8,131		5,811	5,243	190,568
Interest expense			(534,765)	(3,546,213)	(13,862)		(4,094,840)
Amortization of deferred debt issuance costs			(222,357)				(222,357)
Other expense	(79,003)						(79,003)
Net Nonoperating Revenues (Expenses)	<u>13,766,685</u>		<u>2,103,616</u>	<u>3,032,628</u>	<u>120,924</u>	<u>699,164</u>	<u>19,723,017</u>
Income (Loss) Before Operating Transfers	<u>7,925,297</u>		<u>2,103,616</u>	<u>3,032,628</u>	<u>46,726</u>	<u>(739,733)</u>	<u>12,368,534</u>
<b>OPERATING TRANSFERS</b>							
Operating transfers in	3,223,294	\$7,442,229			57,625	16,952,800	27,675,948
Operating transfers out	(638,433)		(4,455,724)	(5,105,787)	(47,625)	(17,428,379)	(27,675,948)
NET INCOME (LOSS)	10,510,158	7,442,229	(2,352,108)	(2,073,159)	56,726	(1,215,312)	12,368,534
Add depreciation expense on contributed assets	1,643,788						1,643,788
Increase in retained earnings	12,153,946	7,442,229	(2,352,108)	(2,073,159)	56,726	(1,215,312)	14,012,322
RETAINED EARNINGS, BEGINNING OF YEAR	177,276,615	39,906,649	(15,638,475)	(61,618,190)	253,289	8,233,302	148,413,190
PRIOR PERIOD ADJUSTMENT	173,096	(169,957)		105,787	132,066	2,527	243,519
RETAINED EARNINGS, END OF YEAR	<u>\$189,603,657</u>	<u>\$47,178,921</u>	<u>(\$17,990,583)</u>	<u>(\$63,585,562)</u>	<u>\$442,081</u>	<u>\$7,020,517</u>	<u>\$162,669,031</u>

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT  
Supplemental Schedule - Combining Statements of  
Cash Flows by Subfunds  
FOR THE YEAR ENDED DECEMBER 31, 1999

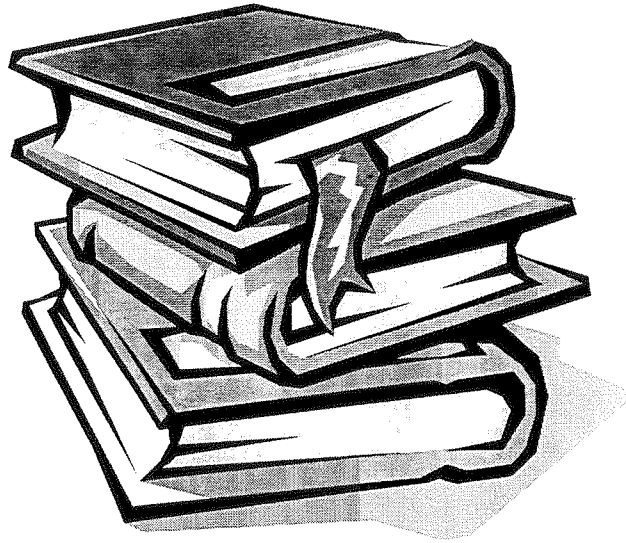
	Operating	Capital Improvement	Debt Service	Eldorado Public Agency Financing Authority	Recreation	Hydroelectric	Combined Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Operating loss	(\$5,841,388)				(\$74,198)	(\$1,438,897)	(\$7,354,483)
Adjustments to reconcile operating income loss to cash flows from operating activities:							
Depreciation and amortization	7,534,462				87,712	24,775	7,646,949
Decrease (increase) in:							
Accounts receivable	(2,457,504)	\$1,334,623	\$120,228	(\$111,952)	140	(1,292)	(1,115,757)
Grants receivable	(2,052,498)						(2,052,498)
Interest receivable	(72,612)			(167,843)			(240,455)
Prepaid expenses	73,377				1,111	(28,000)	46,488
Parts and supplies	(8,261)						(8,261)
Interfund receivables	1,246,685	(1,238,857)			(7,828)		
Increase (decrease) in:							
Deposits payable	134,913		(389,890)		(10,000)		(264,977)
Accounts payable	211,566	222,281		13,000	(4,164)	1,003,329	1,446,012
Accrued salaries and benefits	(15,909)	(5,710)			(5,253)	30,615	3,743
Interest payable			(43,488)				(43,488)
Accrued vacation	16,963				358	18,250	35,571
Accrued liabilities	(1,841,706)	(243)			(2)		(1,841,951)
Deferred revenue	(819,064)				434	15,720,409	14,901,779
Cash Flows from Operating Activities	(3,890,976)	312,094	(313,150)	(266,795)	(11,690)	15,329,189	11,158,672
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Increase in notes receivable	3,086						3,086
Investment income	848,102		534,387	1,156,559	41,548	206,014	2,786,610
Net Cash Used for Investing Activities	851,188		534,387	1,156,559	41,548	206,014	2,789,696
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Advalorem taxes received			795,695				795,695
Cash Flows from Noncapital Financing Activities			795,695				795,695
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Additions to utility plant	(9,666,699)	(811,590)			(191,917)	(7,708,539)	(18,378,745)
Interfund transfers	(3,486,336)	6,026,740	(4,455,724)	(6,048,425)	203,495	7,760,250	(486,335)
Deferred debt issuance costs			(263,978)	(222,357)			(10,379,356)
Principal payments on contracts and bonds payable			(8,764,356)	(1,615,000)			14,182,022
Proceeds from issuance of debt			497,022	13,685,000			3,474,277
Property and assessment taxes received	3,386,933		2,950		84,394		9,582,702
Facility capacity charges and surcharges	5,530,350			4,052,352			3,848,999
Water and wastewater surcharges	959,494		1,519,575	1,369,930			3,536,002
Other income	2,229,381		806,776		6,695	493,150	(4,094,840)
Interest paid			(534,765)	(3,546,213)	(13,862)		(79,003)
Other expense	(79,003)						
Cash Flows from Capital and Related Financing Activities	(1,125,880)	5,215,150	(11,192,500)	7,675,287	88,805	544,861	1,205,723
<b>NET CASH FLOWS</b>	(4,165,668)	5,527,244	(10,175,568)	8,565,051	118,663	16,080,064	15,949,786
Cash and cash equivalents at beginning of year	14,237,830	29,326,616	11,493,576	5,786,147	455,304		61,299,473
Cash and cash equivalents at end of year	\$10,072,162	\$34,853,860	\$1,318,008	\$14,351,198	\$573,967	\$16,080,064	\$77,249,259
Noncash Investing and Financing Activities	\$3,891,080						\$3,891,080

See accompanying notes to general purpose financial statements

EL DORADO IRRIGATION DISTRICT  
Supplemental Schedule - Combined Statements of  
Revenues and Expenses - Budget and Actual  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Actual	Budget	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Water sales	\$11,022,101	\$10,752,000	\$270,101
Reclaimed water reimbursement/sales	234,304	67,000	167,304
Wastewater sales	8,359,763	8,404,100	(44,337)
Wastewater services	36,344	105,700	(69,356)
Hydro-Revenue loss reimbursement		500,000	(500,000)
Recreation fees	516,429	505,500	10,929
Water service	1,180,124	503,400	676,724
Total Operating Revenues	21,349,065	20,837,700	511,365
<b>OPERATING EXPENSES</b>			
Operations and maintenance	9,956,141	11,648,980	1,692,839
General and administrative	1,303,927	1,561,306	257,379
Finance	2,864,360	3,066,748	202,388
Legal	1,053,871	947,349	(106,522)
Engineering	1,519,994	2,410,561	890,567
Electricity	1,797,320	1,864,150	66,830
Hydroelectric operations	1,414,954	2,003,182	588,228
Purchase of water	653,534	757,700	104,166
Recreation operations	492,498	567,176	74,678
Total Operating Expenses	21,056,599	24,827,152	3,770,553
OPERATING (INCOME) LOSS	292,466	(3,989,452)	4,281,918
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Property taxes	4,364,904	3,999,300	365,604
Investment income	2,786,610	3,086,600	(299,990)
Facility capacity charges	9,582,702	6,076,200	3,506,502
Surcharges	3,848,999	3,480,400	368,599
USBR voter-approved taxes	798,645	714,600	84,045
Flood damage reimbursement	2,546,789	2,508,100	38,689
Other income	190,568		190,568
Interest expense	(4,094,840)	(4,108,325)	13,485
Amortization of bond costs and advance funding costs	(222,357)		(222,357)
Net Nonoperating Revenues (Expenses)	19,802,020	15,756,875	4,045,145
Excess of Budgeted Revenues Over Budgeted Expenses	20,094,486	\$11,767,423	\$8,327,063
<b>Non-Budgeted Items</b>			
Other expenses	(79,003)		
Depreciation	(7,646,949)		
NET INCOME (LOSS)	\$12,368,534		

See accompanying notes to general purpose financial statements



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**El Dorado Irrigation District**  
**Adjusted Budget for the Fiscal Years ending**  
**December 31, 1996, 1997, 1998 & 1999**

	1999	1998	1997	1996
<b>OPERATING REVENUES:</b>				
Water Sales	\$10,752,000	\$10,123,049	\$9,111,505	\$7,233,839
Water Services	503,400	333,125	226,730	159,093
Wastewater sales and service	8,509,800	5,643,183	5,266,941	4,069,746
Reclaimed Water Reimbursement	67,000	63,650		
Recreation Fees	505,500	460,000	529,400	418,550
Hydroelectric Power & Water Sales	0	0	3,315,000	2,673,800
Hydro - revenue loss reimbursement	<u>500,000</u>	<u>971,878</u>	<u>-</u>	<u>-</u>
<b>Total Operating Revenue</b>	<b>\$20,837,700</b>	<b>\$17,594,885</b>	<b>\$18,449,576</b>	<b>\$14,555,028</b>
<b>Total Operating Expenses: [1]</b>				
Operations and Maintenance	\$11,648,980	\$10,808,386	\$8,043,346	\$6,613,565
General and Administrative	1,561,306	1,532,002	3,115,509	2,578,905
Finance	3,066,748	3,232,059	2,899,623	2,614,402
Legal	947,349	683,465	-	-
Engineering	2,410,561	2,373,611	1,832,115	1,642,033
Hydroelectric Operations	2,003,182	995,371	2,560,204	1,427,930
Electricity	1,864,150	1,773,141	1,489,078	1,126,000
Purchase of Water	757,700	650,700	478,000	483,000
Recreation	<u>567,176</u>	<u>517,199</u>	<u>522,008</u>	<u>499,563</u>
<b>Total Operating Expenses</b>	<b>\$24,827,152</b>	<b>\$22,565,934</b>	<b>\$20,939,883</b>	<b>\$16,985,398</b>
<b>OPERATING LOSS</b>	<b>(\$3,989,452)</b>	<b>(\$4,971,049)</b>	<b>(\$2,490,307)</b>	<b>(\$2,430,370)</b>
<b>OTHER INCOME (EXPENSE)</b>				
FCC's	\$6,076,200	\$4,126,322	\$4,384,137	\$4,216,034
Water & Sewer Debt Surcharges [2]	3,480,400	3,185,091	2,143,559	2,196,726
USBR voter-approved taxes [3]	714,600	673,181	613,486	613,486
Property Taxes	3,999,300	3,772,380	3,686,525	3,744,128
Interest Revenue	3,086,600	3,935,984	3,827,900	4,103,263
Penalty / Interest on Assessments	-	409,000	418,900	1,330,425
Other Income	-	99,810	113,975	101,305
Flood Damage Reimbursement	2,508,100			
Interest Expense	<u>(4,108,325)</u>	<u>(4,406,668)</u>	<u>(4,350,981)</u>	<u>(2,804,838)</u>
<b>Total Other Income</b>	<b>\$15,756,875</b>	<b>\$11,795,100</b>	<b>\$10,837,501</b>	<b>\$13,500,529</b>
<b>NET INCOME</b>	<b>\$11,767,423</b>	<b>\$6,824,051</b>	<b>\$8,347,194</b>	<b>\$11,070,159</b>
<b>DEBT SERVICE (Principal Only)</b>				
Federal Loans [4]	\$713,210	\$665,525	\$599,951	\$579,517
State Loans	252,438	244,154	236,135	228,382
Assessment District Bonds	-	2,545,000	935,000	889,400
COP'S	-	-	-	9,000
Debt 96-1	1,615,000	1,550,000	600,016	-
Texas Hill	<u>382,666</u>	<u>364,227</u>	<u>500,000</u>	<u>-</u>
<b>Total Debt Service-Principal</b>	<b>\$2,963,314</b>	<b>\$5,368,906</b>	<b>\$2,871,102</b>	<b>\$1,706,299</b>
<b>NET INCOME AFTER DEBT SERVICE</b>	<b>\$8,804,109</b>	<b>\$1,455,145</b>	<b>\$5,476,092</b>	<b>\$9,363,860</b>

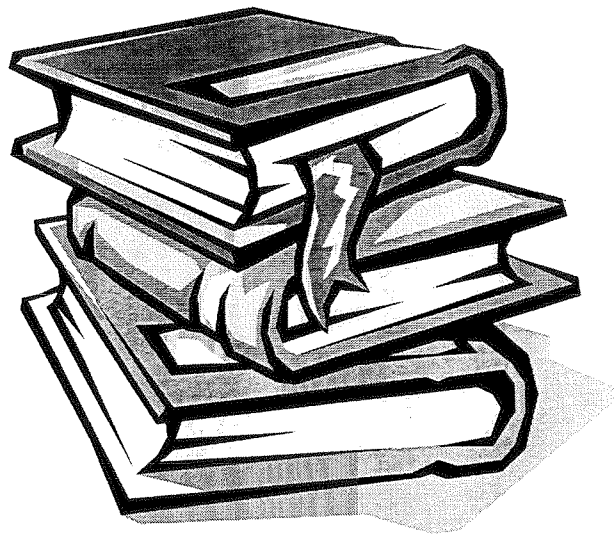
[1] Operating expenses include CIP offset

[2] Represent surcharges assessed in connection with water and sewer debt.

[3] Represents voter approved property taxes collected for payment of obligations to the U.S. Bureau of Reclamation for construction of the Sly Park Unit and EID's main distribution system.

[4] Includes U.S. Bureau of Reclamation loans and Economic Development Administration loan.

<b>1999 5-year CIP Budget</b>					
<i>In Millions</i>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
<b>WATER</b>					
Weber Dam Reconst.	\$20,000	\$4,000,000			\$500,000
Reservoir Program	\$4,610,000	\$6,800,000	\$9,200,000	\$10,900,000	
Reservoir A WTP Improve	\$2,900,000		\$4,000,000		
Bass Lake Storage	\$100,000	\$500,000	\$4,600,000		
Water Dist. Sys Improve	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Res 13 Storage Tank	\$500,000	\$4,000,000			
Sly Park Intertie Lining			\$1,200,000		
Other Water Projects	\$1,387,400	\$17,218,000	\$1,454,000	\$960,200	\$1,466,700
<b>Total Water</b>	<b>\$10,017,400</b>	<b>\$33,518,000</b>	<b>\$21,454,000</b>	<b>\$12,860,200</b>	<b>\$2,966,700</b>
<b>SEWER</b>					
DCWWTP Phase II Expans/Compliance	\$6,700,000	\$10,620,000	\$8,900,000		
EDHWTP Exp/Upgrade		\$8,666,666	\$8,666,666	\$8,666,667	
SCADA Phase II	\$100,000	\$150,000	\$100,000	\$100,000	
Strolling Hills Sewer	\$200,000	\$1,800,000			
Other Sewer Projects	\$378,892	\$1,520,000	\$1,570,000	\$1,800,000	\$2,290,000
<b>Total Sewer</b>	<b>\$7,178,892</b>	<b>\$22,756,666</b>	<b>\$19,236,666</b>	<b>\$10,566,667</b>	<b>\$2,290,000</b>
<b>GENERAL DISTRICT</b>					
Admin Facilities Improve		\$7,230,000		\$2,210,000	\$2,810,000
Other G.D. Projects	\$255,300	\$50,000	\$50,000	\$50,000	\$50,000
<b>Total General Dist.</b>	<b>\$255,300</b>	<b>\$7,280,000</b>	<b>\$50,000</b>	<b>\$2,260,000</b>	<b>\$2,860,000</b>
<b>RECREATION</b>					
Boat Rental Dock Facility	\$30,625				
Other Rec Projects	\$27,000				
<b>Total Recreation</b>	<b>\$57,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>HYDROELECTRIC</b>					
FERC Relicensing	\$500,000	\$519,000	\$539,000	\$559,000	\$580,000
Permanent Repairs of 97' storm damage	\$17,600,000				
Other Hydro Projects	\$600,000	\$0	\$0	\$0	\$0
<b>Total Hydroelectric</b>	<b>\$18,700,000</b>	<b>\$519,000</b>	<b>\$539,000</b>	<b>\$559,000</b>	<b>\$580,000</b>
<b>TOTAL 1999 5-YR CIP</b>	<b>\$36,209,217</b>	<b>\$64,073,666</b>	<b>\$41,279,666</b>	<b>\$26,245,867</b>	<b>\$8,696,700</b>

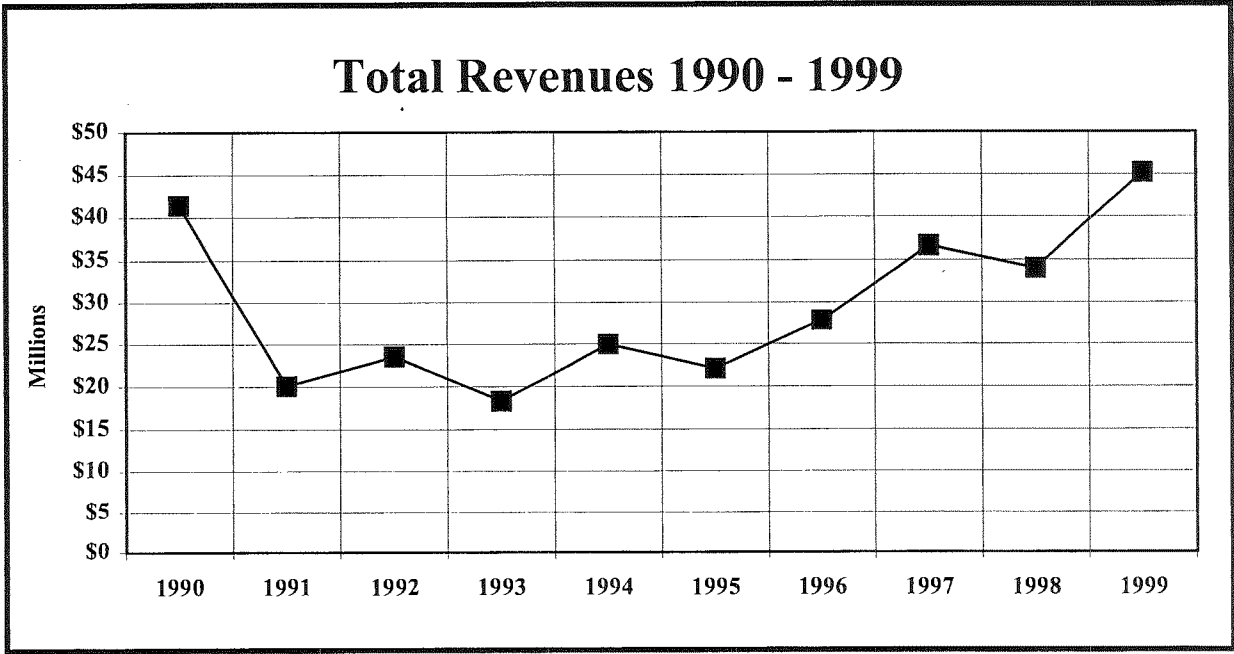


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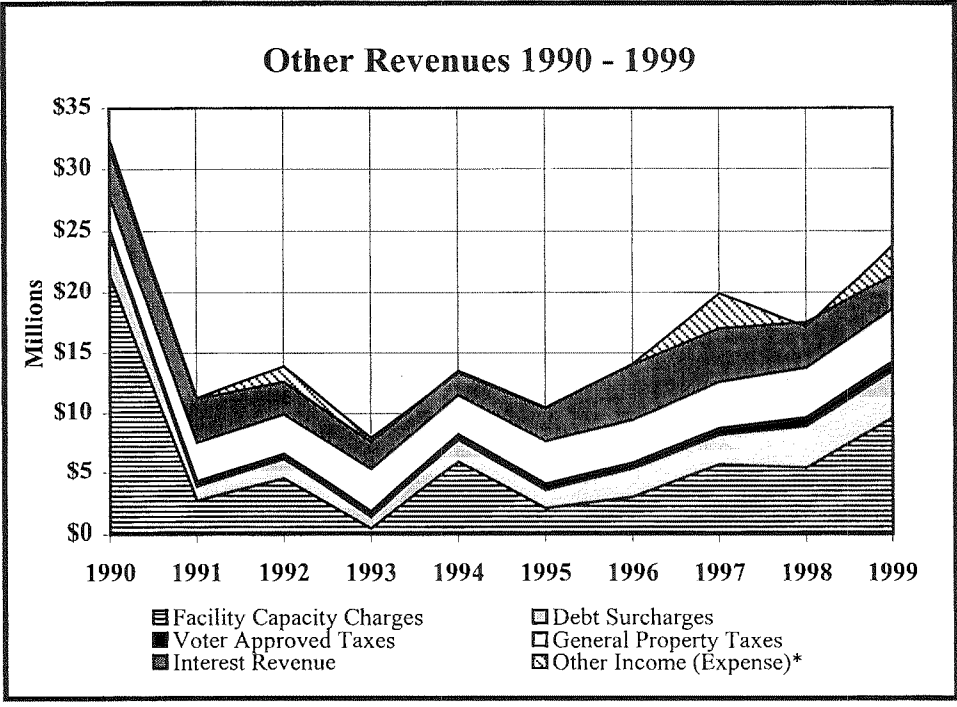
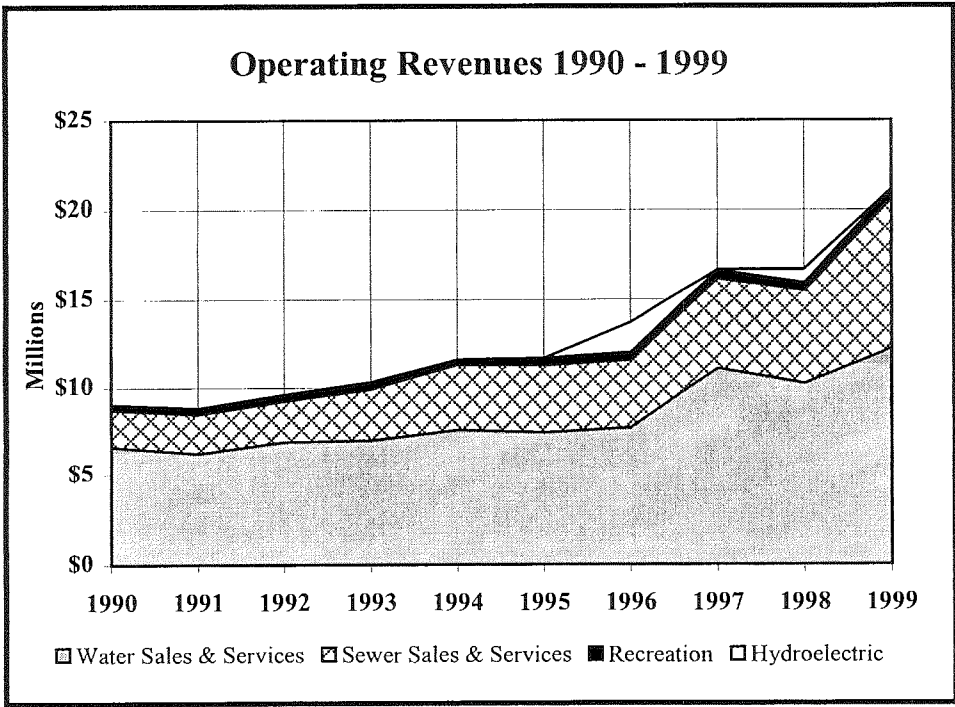
## Total Actual Revenue by Source 1990-1999

Revenue Source	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Water Sales & Services	\$12,202,225	\$10,209,773	\$11,089,042	\$7,726,939	\$7,427,931	\$7,600,236	\$6,991,262	\$6,914,903	\$6,246,973	\$6,638,848
Sewer Sales & Services	\$8,396,107	\$5,268,633	\$5,084,984	\$3,829,133	\$3,837,561	\$3,697,672	\$2,902,214	\$2,324,091	\$2,242,758	\$2,095,568
Reclaimed Water Reimburse	\$234,304	\$106,045	-	-	-	-	-	-	-	-
Recreation	\$516,429	\$460,905	\$502,170	\$441,223	\$405,774	\$315,726	\$437,842	\$383,643	\$346,233	\$322,570
Hydroelectric	-	\$789,542	\$36,451	\$1,717,509	-	-	-	-	-	-
Facility Capacity Charges	9,582,702	\$5,404,752	\$5,691,123	\$2,954,937	\$2,054,747	\$5,927,901	\$443,815	\$4,502,616	\$2,671,502	\$21,505,108
Debt Surcharges	\$3,848,999	\$3,503,528	\$2,471,779	\$2,357,220	\$1,477,168	\$1,833,862	\$917,436	\$1,653,941	\$1,147,327	\$3,257,176
Voter Approved Taxes	\$798,645	\$714,551	\$592,834	\$530,160	\$512,160	\$476,160	\$458,789	\$440,363	\$440,160	\$422,159
General Property Taxes	\$4,364,904	\$4,116,097	\$3,774,466	\$3,577,668	\$3,599,549	\$3,233,334	\$3,472,111	\$3,285,692	\$3,258,635	\$2,624,023
Investment Income	\$2,786,610	\$3,796,313	\$4,492,656	\$4,613,297	\$2,811,719	\$2,035,855	\$2,318,402	\$2,718,890	\$3,679,524	\$3,864,733
Other Income (Expense)*	\$2,435,997	(\$375,486)	\$2,870,345	\$37,299	(\$58,042)	(\$152,702)	\$330,975	\$1,301,049	\$35,225	\$669,756
<b>TOTAL REVENUE</b>	<b>\$45,166,922</b>	<b>\$33,994,653</b>	<b>\$36,605,850</b>	<b>\$27,785,385</b>	<b>\$22,068,567</b>	<b>\$24,968,044</b>	<b>\$18,272,846</b>	<b>\$23,525,188</b>	<b>\$20,068,337</b>	<b>\$41,399,941</b>

\* Other Income (Expense) consists of the following: Other income, penalties & interest on assessments, Flood damage reimbursement, less: Amortization of bond costs and advance funding costs, less: other expense



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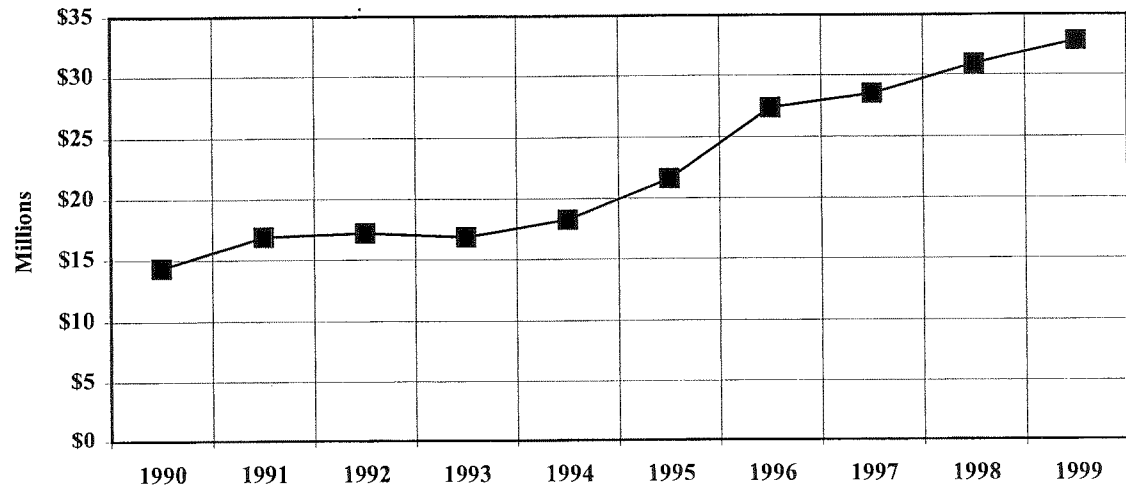


## Total Actual Expenses by Function 1990-1999

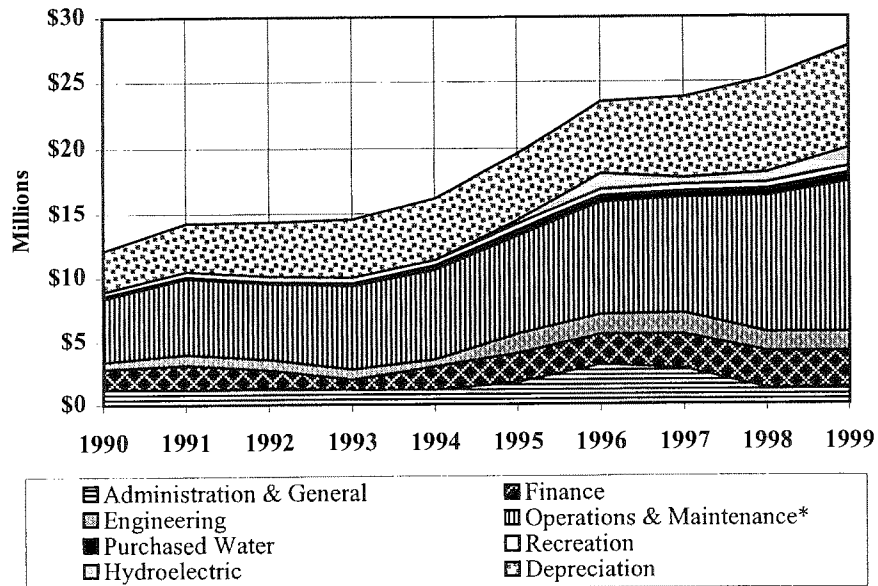
Expense Source	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Administration & General	\$1,303,927	\$1,227,012	\$2,802,000	\$3,130,000	\$1,728,000	\$1,160,000	\$1,159,000	\$1,324,000	\$1,177,000	\$1,244,000
Finance	\$2,864,360	\$2,940,271	\$2,735,000	\$2,399,000	\$2,302,000	\$1,829,000	\$810,000	\$1,402,000	\$1,956,000	\$1,575,000
Engineering	\$1,519,994	\$1,509,079	\$1,637,000	\$1,560,000	\$1,541,000	\$571,000	\$836,000	\$844,000	\$860,000	\$580,000
Operations & Maintenance *	\$11,753,461	\$10,653,760	\$9,066,000	\$8,741,000	\$7,649,000	\$7,012,000	\$6,533,000	\$5,947,000	\$5,935,000	\$4,976,000
Purchased Water	\$653,534	\$585,393	\$499,000	\$560,000	\$492,000	\$377,000	\$215,000	\$157,000	\$169,000	\$217,000
Recreation	\$492,498	\$484,448	\$521,000	\$469,000	\$467,000	\$418,000	\$445,000	\$447,000	\$411,000	\$340,000
Legal	\$1,053,871	\$1,331,507	-	-	-	-	-	-	-	-
Hydroelectric	\$1,414,954	\$735,171	\$483,000	\$1,213,000	\$286,000	-	-	-	-	-
Depreciation	\$7,646,949	\$7,101,032	\$6,075,000	\$5,410,000	\$5,130,000	\$4,837,000	\$4,556,000	\$4,224,000	\$3,765,000	\$3,188,000
Interest Expense	\$4,094,840	\$4,324,879	\$4,667,000	\$3,866,000	\$2,008,000	\$2,035,000	\$2,281,000	\$2,851,000	\$2,605,000	\$2,207,000
<b>TOTAL EXPENSE</b>	<b>\$32,798,388</b>	<b>\$30,892,552</b>	<b>\$28,486,000</b>	<b>\$27,348,000</b>	<b>\$21,603,000</b>	<b>\$18,239,000</b>	<b>\$16,835,000</b>	<b>\$17,196,000</b>	<b>\$16,878,000</b>	<b>\$14,327,000</b>

\* Includes Electricity

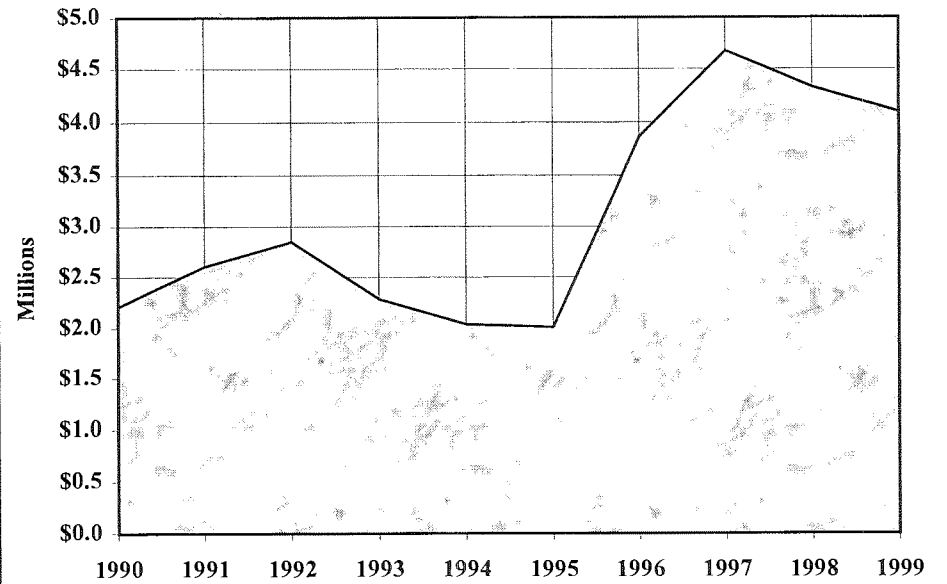
### Total Expenses 1990 - 1999



### Operating Expenses 1990 - 1999

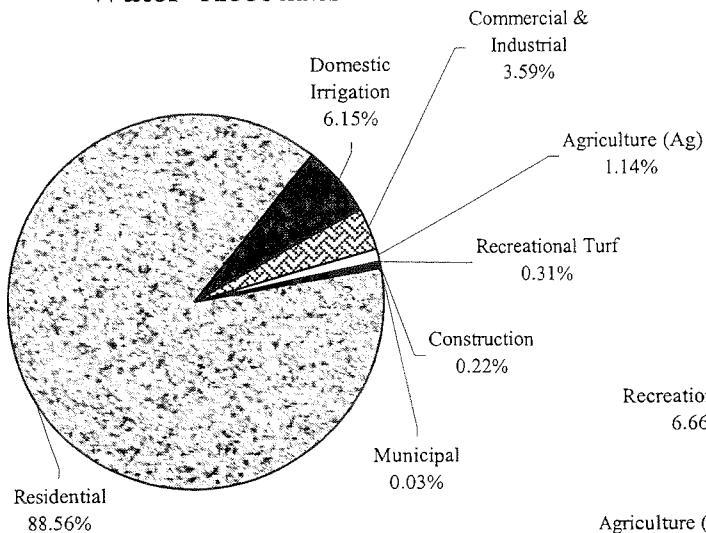


### Interest Expense 1990 - 1999

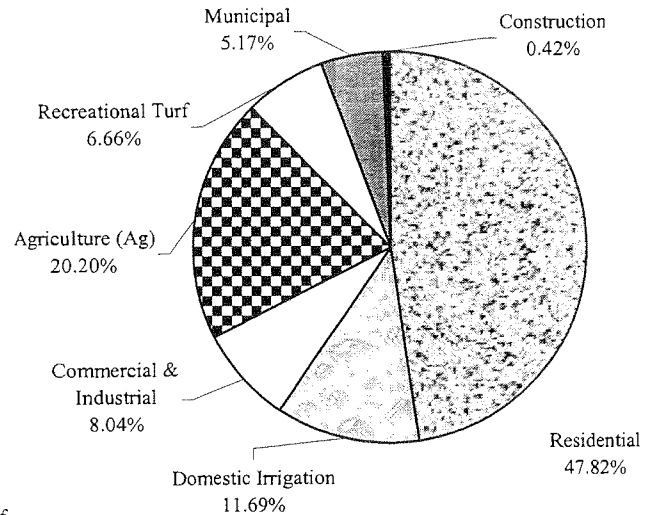


\* Includes Electricity

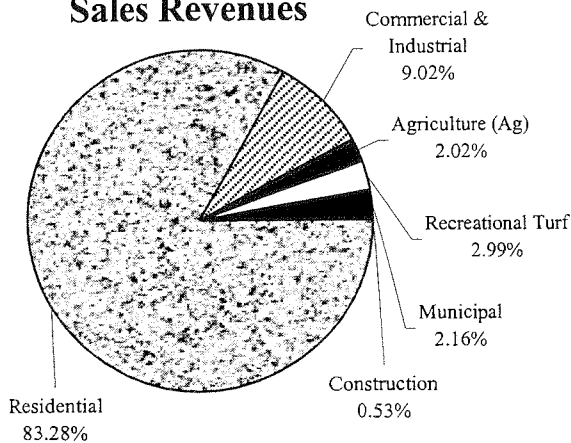
### Water Accounts



### Water Consumption (Acre Feet)



### Sales Revenues



## Water Customer Accounts For Fiscal Year Ended December 31, 1999

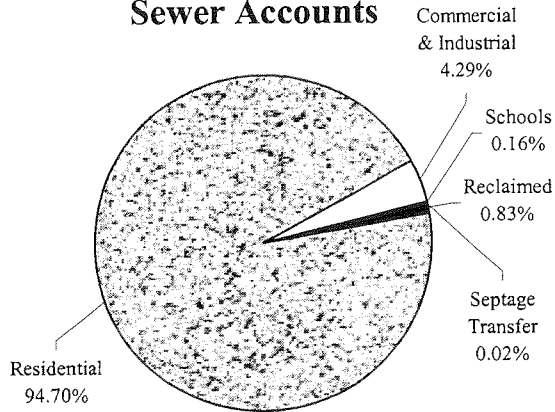
	Water Accounts	% of Total Water Accounts	Water Consumption (Acre Feet)	% of Total Consumption	Sales Revenues	% of Total Revenues
Residential	26,425	88.56%	14,572	47.82%	\$9,173,768 <sup>1</sup>	83.23%
Domestic Irrigation	1,834	6.15%	3,563	11.69%	-	-
Commercial & Industrial	1,072	3.59%	2,451	8.04%	993,692	9.02%
Agriculture (Ag)	340	1.14%	6,155	20.20%	222,480	2.02%
Recreational Turf	93	0.31%	2,028	6.66%	328,968	2.98%
Municipal	9	0.03%	1,575	5.17%	238,447	2.16%
Construction	65	0.22%	127	0.42%	57,967	0.53%
Hydroelectric Water Sales					6,778	0.06%
<b>TOTAL</b>	<b>29,838</b>	<b>100.00%</b>	<b>30,471</b>	<b>100.00%</b>	<b>\$11,022,101</b>	<b>100.00%</b>

<sup>1</sup> Sales Revenues for Residential includes Domestic Irrigation

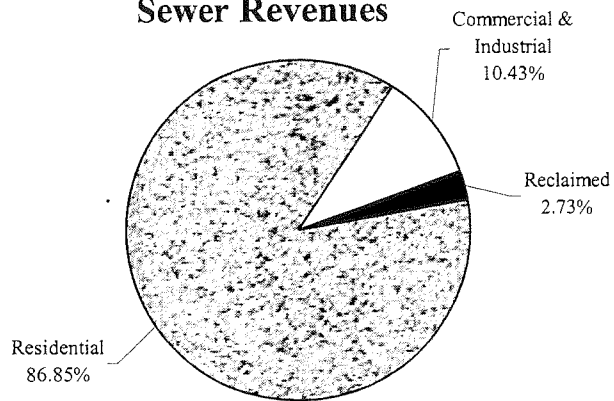
Sources: EID Consumption Report by Zone & User Category, and Year-end Revenue Report (unaudited)



### Sewer Accounts



### Sewer Revenues



## Sewer Customer Accounts For Fiscal Year Ended December 31, 1999

Category	Sewer Accounts	% of Total Sewer Accounts	Sewer Revenues	% of Total Revenues
Residential	12,130	95.50%	\$7,463,790	87.79%
Commercial & Industrial	550	4.33%	\$895,973 <sup>1</sup>	10.54%
Schools	20	0.16%	-	-
Septage Transfer	2	0.02%	-	-
<b>Sub Total</b>	<b>12,702</b>	<b>100.00%</b>	<b>\$8,359,763</b>	<b>98.33%</b>
Reclaimed	106	100.00%	\$234,304	1.67%
<b>TOTAL</b>			<b>\$8,594,067</b>	<b>100.00%</b>

<sup>1</sup> Schools included in Commercial & Industrial category

Source: EID Year End Account Balance (unaudited)

## Summary of Net Revenue and Debt Service Coverage – All Debt

Fiscal Year	Gross [1] Revenue	Operating [2] Costs	Net Revenue Available for Debt Service	Annual [3] Debt Service	Coverage
1990	\$41,399,941	\$12,123,384	\$29,276,557	\$ 3,908,120	7.49
1991	\$20,068,337	\$14,275,844	\$5,792,493	\$ 4,283,262	1.35
1992	\$23,525,188	\$14,347,846	\$9,177,342	\$ 4,454,137	2.06
1993	\$18,272,846	\$14,557,618	\$3,715,228	\$ 4,087,684	0.91
1994	\$24,968,044	\$16,208,282	\$8,759,762	\$ 8,212,075 [4]	1.07
1995	\$22,068,567	\$19,598,055	\$2,470,512	\$ 3,851,258	0.64
1996	\$27,785,385	\$23,486,330	\$4,299,055	\$ 3,660,032	1.17
1997	\$36,605,850	\$23,819,502	\$12,786,348	\$ 6,067,473	2.11
1998	\$33,888,608	\$26,567,673	\$7,320,935	\$ 7,186,396	1.02
1999	\$45,166,922	\$28,703,548	\$16,463,374	\$15,167,148 [5]	1.09

Source: Summary of Net Revenue and Debt Service Coverage, El Dorado Irrigation District

- [1] Gross Revenues include Operating Revenues, Facility Capacity Charges, Debt Surcharges, Taxes, Investment Income, and other non-operating income.
- [2] Operating costs include Operations and Maintenance, General/Administrative, Finance, Engineering, Hydroelectric, Purchased water, Recreation and depreciation costs.
- [3] Annual debt service includes principal and interest on United States Bureau of Reclamation, State of California, U.S. Dept. of Commerce, El Dorado County Water Agency, El Dorado Irrigation District Certificates of Participation and 1996 Revenue Bonds (of which a portion were issued to refund the COP's) and payments made to El Dorado County for Texas Hill properties.
- [4] This amount includes a \$4.6 million of early payoff of State Safe Drinking Water Bond Law loans. Excluding the early paid debt, the ratio of total debt service to total operating expenses would be 2.43%.
- [5] This amount includes an \$8.3 million early pay-off of State Safe Drinking Water Bond Law loans. Excluding the early paid debt, the ratio of total debt service to total operating expenses would be 2.19%.

## Debt Capacity

While the District is not subject to any legal debt limitations, it does observe a series of prudent debt issuance practices and evaluates its debt capacity relative to new financing needs. However, no single measure exists to gauge the amount of debt an agency can support. Individual characteristics such as size, nature of service area (mature, stable or growing), the age of existing facilities and capital project needs all contribute to the appropriate level of debt. The District observes Moody's published median water and wastewater industry ratios as a general guideline by which to evaluate overall debt capacity and debt service coverage performance.

The table below presents Moody's 1995 median debt service ratios for the water and wastewater industry along with EID's corresponding ratios for 1996, 1997, 1998, 1999 and 2000 budgeted. The medians serve as broad indicators of debt servicing capacity. Variations from the medians do not necessarily indicate credit quality, but rather highlight an enterprise's particular characteristics.

Ratio Water and Sewer Utility	Moody's Median Water & Sewer 1995	EID Actual 1996	EID Actual 1997	EID Actual 1998	EID Actual 1999	EID Budgeted 2000
Interest Coverage	4.8	4.6	3.9	2.8	5.2	3.4
Debt Service Coverage	2.3	2.2	2.7	1.7	1.4	2.0
Debt Service Safety Margin (%)	20.5%	19.6%	31.4%	15.0%	13.2%	19.7%
Debt Ratio (%)	24.1%	39.1%	34.5%	31.5%	28.7%	26.8%

The ratios are calculated on a total debt basis exclusive of Recreation and Hydroelectric related assets, revenues and expenses, and any extraordinary events. Property tax revenues are included at 25% of total, the other 75% is allocated for Capital Improvement Projects. Debt service coverage on the 1996 Revenue Bonds is calculated separately per the 1.15 times coverage covenant required on this debt issue and is presented in the Debt Service Coverage 1996 and 1999 Revenue Bonds table on page 63. Debt Service Coverage for all debt (including Hydroelectric) is presented in the table on page 60.

**The Interest Coverage and Debt Service Coverage ratios** demonstrate current and future debt repayment ability. The District was close to the median coverage ratios in 1996 and 1997. In 1998, the 2.8 and 1.7 coverage ratios were below median as revenues declined slightly while operating expenses increased significantly due to the additional staffing and operational costs of the newly upgraded wastewater treatment plants. In addition, EID defeased the remaining \$2.5 million in outstanding bonds on its Assessment District #3. The Interest Coverage Ratio rose to 5.2 in 1999 from higher revenues due to a significant sewer rate increase and increased water consumption. However, the Debt Service Coverage Ratio declined to 1.4 resulting from the District's early pay-off of \$8.3 million in State of California Safe Drinking Water Bond Law loans.

**The Debt Service Safety Margin** indicates an additional level of debt service payment ability by looking at the ratio of revenues less operating expenses and annual debt service to gross

revenue and income. EID was below the median safety margin at 19.6% in 1996. In 1997 the margin increased significantly to 31.4% with the increase in revenues resulting from a rate increase late in 1996. By 1998 the ratio declined to 15.0%, due to the increase in operating expenses discussed above. The Debt Service Safety Margin fell to 13.2% in 1999 due to the State loan pay-off, and is projected to increase to 19.7% in 2000.

**The Debt Ratio** represents the District's current reliance on debt financing and its capacity to support additional debt. It is the ratio of the District's funded debt (net of reserves) to its fixed assets and net working capital. EID has been above the Moody's median from 1996 through 1999. However, this is not a major concern because the District is expanding and meeting its needs to finance new and upgraded infrastructure. In 1996 EID began a major financing program with the issuance of \$69.4 million in revenue bonds for wastewater treatment plant improvements and other significant capital projects. Even with the issuance of an additional \$13.7 million in revenue bonds in 1999, this ratio has been declining since 1996 due to the other reductions in overall debt discussed earlier.



## Debt Service Coverage 1996 and 1999 Revenue Bonds

	Budget 1998	Actual 1998	Budget 1999	Actual 1999	Budget 2000
Revenues [1]	\$29,047,702	\$28,582,064	\$33,254,700	\$37,199,967	\$34,587,850
Operating Expenses [2]	18,456,573	17,953,169	21,668,720	\$19,494,700	\$22,436,479
Pre-existing Indebtedness [3]	<u>695,875</u>	<u>695,881</u>	<u>695,871</u>	<u>\$8,574,384</u>	<u>\$10,758</u>
Total Operating Expenses & Pre-existing Debt	<u>\$19,152,448</u>	<u>\$18,649,050</u>	<u>\$22,364,591</u>	<u>\$65,269,051</u>	<u>\$57,035,087</u>
Net Revenues Before Depreciation and 1996 Bonds Debt Service	\$9,895,254	\$9,933,014	\$10,890,109	\$9,130,883	\$12,140,614
1996 Bonds Debt Service	\$5,162,710	\$5,162,710	\$5,161,213	\$5,161,213	\$5,159,420
1999 Bonds Debt Service					\$566,878
EDA Loan	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>\$161,102</u>	<u>\$161,102</u>
Total Revenue Bond and Parity Debt	<u>\$5,162,710</u>	<u>\$5,162,710</u>	<u>\$5,161,213</u>	<u>\$5,322,315</u>	<u>\$5,887,400</u>
Net Revenues After 1996 & 1999 Bonds Debt Service	\$4,732,544	\$4,770,304	\$5,728,896	\$3,808,568	\$6,253,214
Debt Service Coverage on 1996 & 1999 Bonds [4]	1.92	1.92	2.11	1.72	2.06

Source: 1996 Revenue Bonds Coverage Requirement Analysis, El Dorado Irrigation District

- [1] Revenues include District operating revenues and other income net of property tax and recreation revenue.
- [2] Operating expenses include all maintenance and operations costs less the portion of property taxes applied to offset O & M costs in accordance with the bonds' Installment Purchase Contract. Capitalized costs in connection with Capital Improvement Plan projects are also credited against operating expenses.
- [3] Pre-existing indebtedness included State of California Safe Drinking Water Bond Law loans and U.S. Economic Development Department EDA loan prior to 1999. Except for the Strawberry Loan, the existing State Loans were paid off 10/1/99. The EDA loan is now also on parity with the Revenue Bonds.
- [4] Debt service coverage of 115% or 1.15 times, is the required per covenant for the 1996 Revenue Bonds. Coverage represents the ratio of net revenues before depreciation and debt service to 1996 bonds Debt Service.

**Status of 1996 Revenue Bond  
Finance Projects as of December 31, 1999**

Project Description and Status	96' Bonds Proceeds Funding <sup>1</sup>	Capital Expenditures	% of Bond Funding
<p><b>Project 184 – The El Dorado Project</b></p> <p>The El Dorado Project consists of the acquisition of FERC Project 184, the El Dorado Project, from PG&amp;E pursuant to an asset sales agreement and the renovation performed in 1995/1996 on the basic facilities of the project used to convey water and produce power. The project is comprised of five lakes, 22 miles of canal, and a 21-megawatt hydroelectric power plant. Renovations include repair and upgrading of the hydroelectric generation facility, 810 lineal feet of wood stave pipe replacement with steel and lining, and corrosion removal and polyurethane lining of the high pressure section of pipe between the surge tank and power house. Construction on this project was completed in June 1996.</p> <p>Note: This project also received \$1 million in capitalization interest from the 1996 Revenue Bonds</p>	\$5,800,000	\$5,800,000	100.0%
<p><b>Deer Creek Wastewater Treatment Plant</b></p> <p><i>1996 Upgrade:</i> The 1996 upgrade includes renovation and upgrading of the wastewater treatment plant at its existing rated capacity. This project is designed to bring the plant into reliable compliance with the National Pollution Discharge Elimination System requirements. Construction on the project began in July 1996 and was completed in January of 1998.</p> <p><i>Corrective Action Plan:</i> The East Street lift station was constructed as a component of the Corrective Action Plan for the Deer Creek/Mother Lode Collection System at a cost of \$220,884. The Corrective Action Plan project included the upgrade of a total of eight lift stations and the replacement of approximately 12,000 feet of line. The balance of \$879,116 was spent on this project along with an additional \$900,000 of prior bond proceed funding for a total project cost of \$2,000,000.</p>	\$20,832,600	\$20,771,637	99.7%
<p><b>El Dorado Hills Wastewater Treatment Plant Expansion</b></p> <p>This renovation and expansion project replaced the existing treatment plant with an activated sludge, aeration process similar to that of the upgraded Deer Creek Wastewater Treatment Plant. Tertiary-level filtration systems, disinfection systems, and back-up power to enable reliable operation have been added. The plant's capacity is being expanded from its existing 1.6 mgd rated capacity to 3.0 mgd. Detailed design of this project was completed in January 1996.</p> <p>Construction of the plant was completed in December 1998. Construction of the new tertiary treatment system was completed in December 1996 and is fully operational to a capacity of 1.6 mgd. The expansion of the plant to 3.0 mgd was completed in June 1998. A third tertiary filter was constructed at the plant and was completed in April 2000.</p>	\$20,000,000	\$19,958,509	99.8%

## Status of 1996 Revenue Bond Financed Projects as of December 31, 1999

Project Description and Status	'96 Bonds Proceeds Funding <sup>1</sup>	Capital Expenditures	% of Bond Funding
<p><b>Sly Park Reservoir Project</b></p> <p>This project consists of the acquisition by the District from the U.S. Bureau of Reclamation (USBR) of the Sly Park dam and reservoir and its related facilities, including associated water rights. The acquisition would require legislative action by the Congress and President. Legislation sponsored by our Congressman, John Doolittle was introduced in March 1999. Has passed the House in November 1999 and is now in the Senate for consideration.</p>	\$4,000,000 <sup>1</sup>	\$57,331	1.4%
<p><b>Cameron Park Airport Interceptor Project</b></p> <p>This project consists of the construction of a sewer interceptor parallel to an existing interceptor that is nearing capacity. The project will allow for further development of lands to the east and northeast of Cameron Park Country Club. Construction began in September 1997, and was completed in November 1998. Remaining funds will be allocated to the other projects per Board direction.</p>	\$948,000	\$702,596	74.1%
<p><b>East Street – Phase II Project</b></p> <p>\$1,100,000 of the 1996 Revenue Bond proceeds were originally allocated for this project. However, the original project changed in scope. Please see discussion under Deer Creek Wastewater Treatment Plant on the previous page.</p>			
<p><b>Administration Facilities Project</b></p> <p>This project consists of the expansion and upgrading of administrative facilities at the Deer Creek and El Dorado Hills Wastewater Treatment Plants and at the District's headquarters site. Design and construction of a water quality lab and administrative facility at the El Dorado Hills Wastewater Treatment Plant was completed in March 1999. The Deer Creek Administrative facilities were also completed in March 1999. A master plan for the headquarters facilities was completed in October 1998. Design work is progressing with construction expected to start in late Fall 2000.</p>	\$5,550,673 <sup>3</sup>	\$1,866,251	33.6%

- 1 In addition to projects listed above, the 1996 bond revenue issuance also included \$9,260,504 in advanced refunding of COP's, \$ 1,015,000 in capitalized interest, \$2,529,808 in issuance costs and \$3,669,178 in reserves. The total proceeds for the 1996-1 revenue bonds were \$69,415,000.
- 2 Original funding for this project totaled \$2,659,910 in bond proceeds. The project subsequently received \$1,340, 090 in interest earnings for a total project funding of \$4,000,000.
- 3 Original funding for this project totaled \$2,700,000 in bond proceeds. The project subsequently received \$2,850,673 for a total funding of \$5,550,673.

## Status of 1999 Revenue Bond Financed Projects as of December 31, 1999

Project Description and Status	'99 Bonds Proceeds Funding [1]	Capital Expenditures	% of Bond Funding
<p><b>Weber Dam Reconstruction</b></p> <p>The Federal Regulatory Commission (FERC) and the Division of Safety of Dams (DSOD) has directed the District to correct certain safety deficiencies at Weber Dam, which is the source of 1,200 acre-feet of District water supplies. The District contracted with URS Engineers to prepare construction plans to reinforce the dam with roller compacted concrete. Bids for construction are expected to be opened in March 2001 with construction expected to commence in the Spring of 2001.</p>	\$4,000,000	\$0	0%
<p><b>Deer Creek Wastewater Treatment Plant – Expansion/Compliance</b></p> <p>This project consists of expanding the existing Deer Creek Wastewater Treatment Plant to accommodate increased flows from anticipated growth in the District's service area. The existing plant, which has a design capacity of 2.5 million gallons per day (mgd) average dry weather flow (ADWF), will be expanded by this construction to a capacity of 3.6 mgd ADWF. The construction work to be performed generally includes construction and renovation of sewage treatment plant facilities to include a grit washer, a secondary clarifier, gravity sludge thickeners, sludge storage facility improvements, sludge de-watering belt press installation, installation of lime sludge stabilization equipment, a metal building, related pumps and equipment, instrumentation and controls, and electrical power installations. The work also includes excavation, fill concrete, piping, electrical, instrumentation, building construction, paving, fencing and site restoration. Detailed design of the Deer Creek Wastewater Treatment Plant expansion was completed in August 1999. Bids for construction for the project were opened on September 22, 1999 and a construction contract was awarded in November 1999. Construction began in November 1999 and is expected to be completed in December 2000.</p>	\$5,800,000	\$0	0%
<p><b>Administrative Facilities Project</b></p> <p>The Administrative Facilities project consists of the expansion and upgrading of office facilities at the Deer Creek and El Dorado Hills Wastewater Treatment Plants and at the District's headquarters site. Existing facilities at the plant were not sufficient to support the current and anticipated future administrative activities of the plant operators and maintenance personnel. The Deer Creek and El Dorado Hills Wastewater Treatment Plant projects were completed in 1998. In addition, the Administrative Facilities project will provide improved communications and coordination between the plants and the District's headquarters. The total estimated cost of the headquarters phase of the Administrative Facilities project (including engineering, architectural, legal and administrative costs and contingencies) is \$7.2 million, \$5.4 million of which will be funded with proceeds of the 1996 Bonds. The balance will be funded from proceeds of the 1999 Bonds. A Master Plan of the Headquarters Facilities was completed in May 1999. Final design commenced in October 1999, with completion expected in mid-2000. Construction should be completed in 2002.</p>	\$2,500,000	\$0	0%

[1] In addition to the projects listed above, the 1999 revenue bond issuance also included \$1,025,012 in reserves and \$359,988 in issuance costs.



**El Dorado County**  
**Secured Assessed Valuation and Tax Collection Record**  
**County Fiscal Years Ending June 30, 1990 – 2000**

Fiscal Year	Total Secured Assessed Valuation	Secured Property Tax Levy	Taxes Collected	Rate of Tax Collections	District Allocations in Corresponding Calendar Year [1]
1990-91	\$7,375,753,132	\$82,680,762	\$82,098,105	99.30%	\$2,624,023
1991-92	\$8,290,353,197	\$92,645,476	\$91,172,077	98.41%	\$3,258,635
1992-93	\$8,893,792,624	\$99,608,422	\$97,183,833	97.57%	\$3,285,692
1993-94	\$9,351,606,616	\$104,753,902	\$101,441,288	96.84%	\$3,472,111
1994-95	\$9,664,511,963	\$107,871,117	\$103,478,008	95.93%	\$3,233,334
1995-96	\$10,157,754,128	\$113,010,913	\$107,227,524	94.88%	\$3,599,549
1996-97	\$11,994,630,489 [2]	\$117,283,071	\$112,502,657	95.92%	\$3,569,577
1997-98	\$12,399,937,664	\$121,608,340	\$117,694,334	96.78%	\$3,772,380
1998-99	\$13,046,611,112	\$125,970,813	\$123,055,507	97.69%	\$3,993,168
1999-00	\$13,778,393,947	\$133,633,826	-	-	\$4,261,469

Source: El Dorado County Auditor-Controller, Sec. Collection Ledger report and Tax Extension (TRJ636/TRB140). Except District Allocations (provided by El Dorado Irrigation District)

[1] The District receives 100% of its general property tax allocation as a result of the tax distribution system commonly referred to as the "Teeter Plan", without regard to delinquencies in collections. The dollar amount shown in this column represents El Dorado County's "Annual Final Estimate" of property taxes allocated to EID net of the estimated County Property Tax Administration Reimbursement Fee. Other assessments and charges collected by the County for EID are not included here.

[2] 1996-97 Total Secured Assessed Valuation dollar amount was adjusted in 1998 per El Dorado County Auditor-Controller.

Note: Per Board policy the District allocates 75% of General Property Taxes received to Capital Improvement projects, and the remaining 25% to operations. Property taxes are also allocated among funds. For tax year 1999-2000 this allocation was 56% to the Water Fund, 42% to the Sewer Fund and 2% to the Recreation Fund.

Note: Taxes Collected & Rate of Tax Collections for Fiscal Year 1999-00 were not available at the time this report was published.

## Voter Approved Debt Tax Levy <sup>[1]</sup> Net of Overlapping Debt

Tax Year	Secured Land Assessed Value District Boundaries	Tax Rate [2] per \$100 Assessed Value	Collections/ [3] Debt Payments
1989-90	\$1,025,680,424	.0597	\$611,859
1990-91	\$1,331,361,036	.0396	\$527,591
1991-92	\$1,540,803,410	.0352	\$542,612
1992-93	\$1,648,307,494	.0327	\$538,331
1993-94	\$1,717,548,030	.0322	\$552,701
1994-95	\$1,749,892,198	.0324	\$566,246
1995-96	\$1,834,187,711	.0327	\$599,115
1996-97	\$1,918,745,953	.0320	\$613,486
1997-98	\$1,961,706,510	.0343	\$673,181
1998-99	\$2,064,162,072	.0346	\$714,551
1999-00	\$2,182,158,839	.0366	\$798,646

Source: El Dorado Irrigation District; Deputy Treasurer

- [1] In addition to the District's share of the 1% property tax, the District collects property taxes levied in connection with the District's obligation to the U.S. Bureau of Reclamation (USBR) for the construction of the Sly Park Unit of the Central Valley Project, and the District's distribution system therefor. The debt was originally approved by District voters in 1959. Subsequent to 1959, the voters approved additional debt related thereto for construction projects in 1969, 1972, and 1975. The District's total obligation to the USBR for this debt totaled approximately \$24.2 million.
- [2] The District's payments to the USBR vary, with annual interest rates on the debt ranging from 0% to 5%. Maturities occur through the year 2028. The annual debt payments are assessed on the property tax bills. Assessments are apportioned and spread, based on total land assessed value within the District boundaries.
- [3] Collections/Debt Payments include debt service principal and interest, and a pro-rata allocation of the County Property Tax Administrative Reimbursement Fee.

## Special Assessment District Collections <sup>[1]</sup>

Fiscal Year	Assessment District #3 [5]	Assessment District #4 [6]	Improvement Districts [2]	Maintenance Collections [3]	Miscellaneous Collections [4]
1989-90	\$1,399,446	\$93,872	\$23,061	\$10,363	\$8,490
1990-91	\$1,361,547	\$94,489	\$17,850	\$13,640	\$26,011
1991-92	\$1,131,877	\$92,392	\$15,795	\$15,782	\$3,860
1992-93	\$1,326,955	\$91,390	\$1,994	\$17,449	\$19,910
1993-94	\$792,226	\$36,825	-	\$15,952	\$15,989
1994-95	\$1,303,962	\$69,750	-	\$8,771	\$26,545
1995-96	\$1,281,270	\$64,870	-	\$7,448	\$17,789
1996-97	\$1,263,518	\$73,038	-	\$8,091	\$13,072
1997-98	\$1,238,147	\$72,457	-	\$2,086	\$63,190
1998-99	-	-	-	\$3,208	\$81,128
1999-00	-	-	-	\$2,909	\$50,188

Source: El Dorado Irrigation District; Deputy Treasurer

- [1] The District generally received 100% of special assessments as a result of its diligent collection process. The District has the legal authority to place a lien on the property to assure collection.
- [2] Improvement Districts: 017, 023, 120, 131, 133, 141, 148, 151, 156, 165, 166, 169, 171, 173, 175, 184, 198, 102, 206, 207. By 1990, only Improvement District 207 remained. The District currently has no Improvement Districts.
- [3] Maintenance Districts: Singleton Ranch Reservoir – 34M, Clear Creek – 97M and Knolls Reservoir – 30M. Only the latter two districts remain active currently.
- [4] Miscellaneous Collections: Swansboro Surcharge, Water Accounts, Wastewater Accounts, Bond Segregations, Sundry and Lien Release Fees.
- [5] Assessment District #3's outstanding bonds were paid in full in 1998.
- [6] Assessment District #4's bonds matured in 1998.

**Total Tax Burden <sup>[1]</sup>  
All Overlapping Governments Per \$100  
of Assessed Valuation**

County Fiscal Years Ending June 30, 1990 – 2000

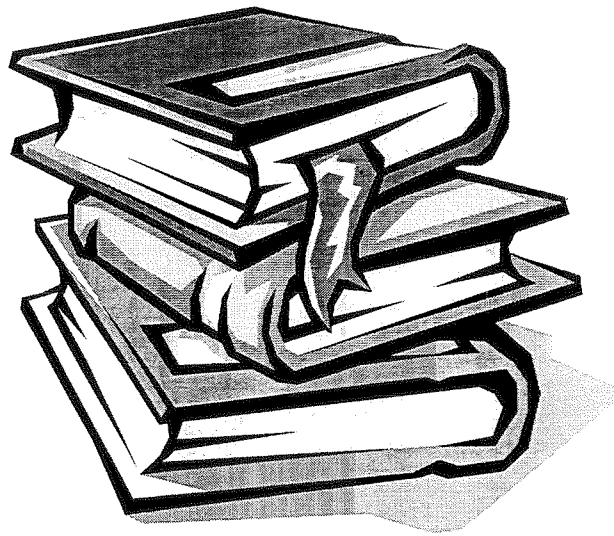
Fiscal Year	General Property Tax Levy	State Assessed Unitary Value Properties	School Districts	Special Districts	EID Voter Approved Tax [2]	EID Sanitation Districts [3]	Total
1989-90	1.000%	.0533%	.0808%	.1465%	.0597%	.1465%	1.4868%
1990-91	1.000%	.0461%	.0387%	.0550%	.0396%	.0256%	1.2050%
1991-92	1.000%	.0407%	.0498%	.0370%	.0352%	.0212%	1.1839%
1992-93	1.000%	.0414%	.0250%	.0355%	.0327%	.02035%	1.1549%
1993-94	1.000%	.0482%	.0161%	.0352%	.0322%	.0214%	1.1531%
1994-95	1.000%	.0484%	.0101%	.0313%	.0324%	.0207%	1.1429%
1995-96	1.000%	.0478%	.0022%	.0288%	.0327%	-	1.1115%
1996-97	1.000%	.0462%	.0003%	.0283%	.0320%	-	1.1068%
1997-98	1.000%	.0473%	.0147%	.0243%	.0343%	-	1.1206%
1998-99	1.000%	.0648%	.0397%	.0213%	.0346%	-	1.1604%
1999-00	1.000%	.0751%	.0349%	.0252%	.0366%	-	1.1718%

Source: El Dorado County Auditor – Controller  
Tax Rate Listing (TRX620/TRB110)

[1] This table represents the total tax burden on taxpayers within EID's geographic jurisdiction.

[2] Voter Approved Tax Class 207 – EID's obligation for repayment of debt to the U.S. Bureau of Reclamation for construction of the Sly Park Unit and the District's main water distribution system. Originally approved in 1959, the voters of the County approved increases in the debt for construction projects in 1969, 1972 and 1975.

[3] Sanitation Districts – Includes Sanitation Districts #1 and #2. Ownership of these Sanitation Districts was transferred to EID in fiscal year 1988-89. The County continued to collect taxes for repayment of the debt used to construct the treatment plants until its maturity in fiscal year 1994-95.



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# Demographics and Statistical Summary

Water	2000 Projected	1999	1998	1997	1996	1995	1994	1993
<b>Facilities:</b>								
Miles of Main Line*	1,111	1,111	1,111	1,100	1,000	840	824	778
Miles of Ditches*	50	50	50	70	70	85	85	85
Number of Treatment Plants	6	6	6	7	7	7	7	7
Total Plant Capacity (cfs)	156	123	123	123	123	123	123	123
Number of Pumping Stations	22	21	21	21	21	21	21	20
Number of Storage Reservoirs	25	26	26	26	26	26	26	25
<b>Supply (Acre-Feet Delivered):</b>								
USBR – Sly Park Reservoir	18,314	19,163	18,421	**30,934	17,357	19,602	14,924	26,353
USBR – Folsom Lake	5,549	6,138	4,960	4,579	4,185	4,537	2,695	2,066
PG & E – Forebay	7,721	9,495	5,947	**1,220	11,957	5,402	15,651	^^1,205
Crawford Ditch	700	700	700	700	700	700	700	700
<b>Total Supply</b>	<b>32,284</b>	<b>35,496</b>	<b>30,028</b>	<b>32,337</b>	<b>34,199</b>	<b>30,241</b>	<b>33,970</b>	<b>30,324</b>
<b>Water Customer Accounts:</b>								
<i>Contiguous</i>								
Residential	28,566	27,928	27,349	26,413	25,863	25,033	24,757	24,276
Commercial & Industrial	1,086	1,067	1,035	1,003	968	894	869	827
Agricultural	366	356	331	337	331	323	358	367
Recreational Turf	93	93	92	88	83	83	-	-
Municipal	9	9	9	9	9	9	9	8
Construction Meters	65	65	65	65	65	65	65	65
<b>Total Contiguous</b>	<b>30,185</b>	<b>29,518</b>	<b>28,881</b>	<b>27,915</b>	<b>27,319</b>	<b>26,407</b>	<b>26,058</b>	<b>25,543</b>
<i>Satellite Zones</i>								
Residential ^	315	312	313	546	548	555	557	551
Commercial	5	5	5	5	5	4	3	3
Agricultural	3	3	3	10	10	4	4	6
<b>Total Satellites</b>	<b>323</b>	<b>320</b>	<b>321</b>	<b>561</b>	<b>563</b>	<b>563</b>	<b>564</b>	<b>560</b>
<b>Total Accounts</b>	<b>30,508</b>	<b>29,838</b>	<b>29,202</b>	<b>28,476</b>	<b>27,882</b>	<b>26,970</b>	<b>26,622</b>	<b>26,103</b>
<b>Consumption (acre feet):</b>								
<i>Contiguous Zones</i>								
Residential	16,789	18,059	14,673	17,711	16,713	14,968	15,118	13,623
Commercial & Industrial	2,226	2,447	1,976	2,379	2,099	1,780	2,174	1,899
Agricultural	6,124	6,153	5,255	6,595	6,492	5,634	7,501	7,002
Recreational Turf	1,790	2,028	1,270	1,884	1,977	1,443	-	-
Municipal	1,485	1,575	1,464	1,548	1,467	1,440	1,431	1,337
Construction Meters	117	127	95	146	98	108	84	67
<b>Total Contiguous</b>	<b>28,531</b>	<b>30,389</b>	<b>24,733</b>	<b>30,263</b>	<b>28,846</b>	<b>25,373</b>	<b>26,308</b>	<b>23,928</b>
<i>Satellite Zones</i>								
Residential ^	40	43	36	105	98	97	99	87
Agricultural	32	35	26	35	30	47	29	66
Commercial	5	4	5	5	14	12	N/A	N/A
<b>Total Satellites</b>	<b>77</b>	<b>82</b>	<b>67</b>	<b>145</b>	<b>142</b>	<b>156</b>	<b>128</b>	<b>153</b>
<b>Total Consumption</b>	<b>28,608</b>	<b>30,471</b>	<b>24,800</b>	<b>30,408</b>	<b>28,988</b>	<b>25,529</b>	<b>26,436</b>	<b>24,081</b>

\* Estimated

\*\* Due to January 1997 floods, water delivery will be different than in past years.

^ In 1998, the area of Swansboro was put on EID's contiguous system.

^^ Cleveland fire damage interrupted delivery of water from this source.

## Demographics and Statistical Summary

Wastewater	2000 Projected	1999	1998	1997	1996	1995	1994	1993
<b>Facilities:</b>								
Miles of sewer line	300	300	300	300	300	239	220	200
Number of Treatment Plants	5	5	5	5	5	5	5	5
Plant Capacity - Dry Weather +	6.50	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Plant Capacity - Wet Weather +	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Avg. Dry Weather Daily Plant Flow +	3.50	3.50	3.50	3.70	3.70	3.50	3.30	3.30
- El Dorado Hills Plant +	1.60	2.30	2.30	1.40	1.50	1.20	1.10	1.10
- Deer Creek Plant +	2.30	2.30	2.30	2.30	2.20	2.30	2.20	2.20
Number of Lift Stations	60	50	50	50	50	50	50	50
<b>Customer Accounts (Active)</b>								
Residential ++	12,934	12,130	11,765	11,221	10,764	10,151	9,823	9,433
Commercial & Industrial	500	550	453	435	422	402	387	369
School	20	20	19	17	20	22	21	21
Septage Transfer	2	2	2	2	2	2	2	-
<b>Total Wastewater Accounts</b>	<b>13,456</b>	<b>12,702</b>	<b>12,239</b>	<b>11,678</b>	<b>11,208</b>	<b>10,577</b>	<b>10,233</b>	<b>9,823</b>
<b>Reclaimed Wastewater Accounts ^^^</b>	<b>250</b>	<b>106</b>	<b>41</b>	<b>43</b>	<b>42</b>	<b>31</b>	<b>-</b>	<b>-</b>

+ mgd

++ Residential includes Recreational Turf Accounts

^^^ Beginning in 1999, residential construction of a "dual pipe" system in the El Dorado Hills community of Serrano will feature water, sewer, and reclaimed for each home.

### Recreation

	<i>Sly Park Recreation Area</i>							
	2000 Projected	1999	1998	1997	1996	1995	1994	1993
Number of Day Visits	84,000	83,206	80,688	89,491	82,923	78,120	# 32,924	68,464
Number of Overnight Campers	79,000	77,903	62,516	64,291	61,830	60,665	17,811	81,324
Boat Use	11,000	11,090	12,444	15,038	14,600	14,374	5,136	10,805
Museum Visitors	1,400	1,360	1,340	1,280	1,000	940	970	1,300
Guided Hikes	10	10	22	32	32	40	66	20
Fish Plants	6	6	8	7	6	11	12	13
Volunteer Hours	4,000	3,800	5,520	13,600	8,500	9,820	3,304	12,960
Museum Volunteer Hours	500	500	500	445	475	450	452	500

# Low lake levels resulting from drought and Cleveland fire impacts

#### Facilities at Sly Park Recreation Area:

Jenkinson Lake Shoreline	9 Miles
Boat Ramps	2
Individual Camp Areas	184
Adult Group Camping Areas	5
Youth Group Camping Areas	2
Equestrian Group Camping Areas	1
Hiking Trails	9 Miles
Equestrian Trails	9 Miles
Nature Trail	1/2 Miles
Native American/Historical Museum	1

<b>Average Daily Flow of District Wastewater Facilities</b>			
<b>Average Daily Dry Weather Flow (mgd) [1]</b>			
<b>Year</b>	<b>Total</b>	<b>2.5 permit rating Deer Creek</b>	<b>1.6 permit rating El Dorado Hills</b>
1992	2.73	1.85	0.88
1993	2.95	1.94	1.01
1994	3.40	2.35	1.05
1995	3.71	2.51	1.20
1996	3.73	2.20	1.53
1997	3.72	2.30	1.42
1998	3.85	2.46	1.39
1999	3.64	2.19	1.45

Source: Sewer Liability Report, El Dorado Irrigation District

[1] Flows adjusted based upon updated meter calibration. (mgd) – Millions of Gallons Per Day.

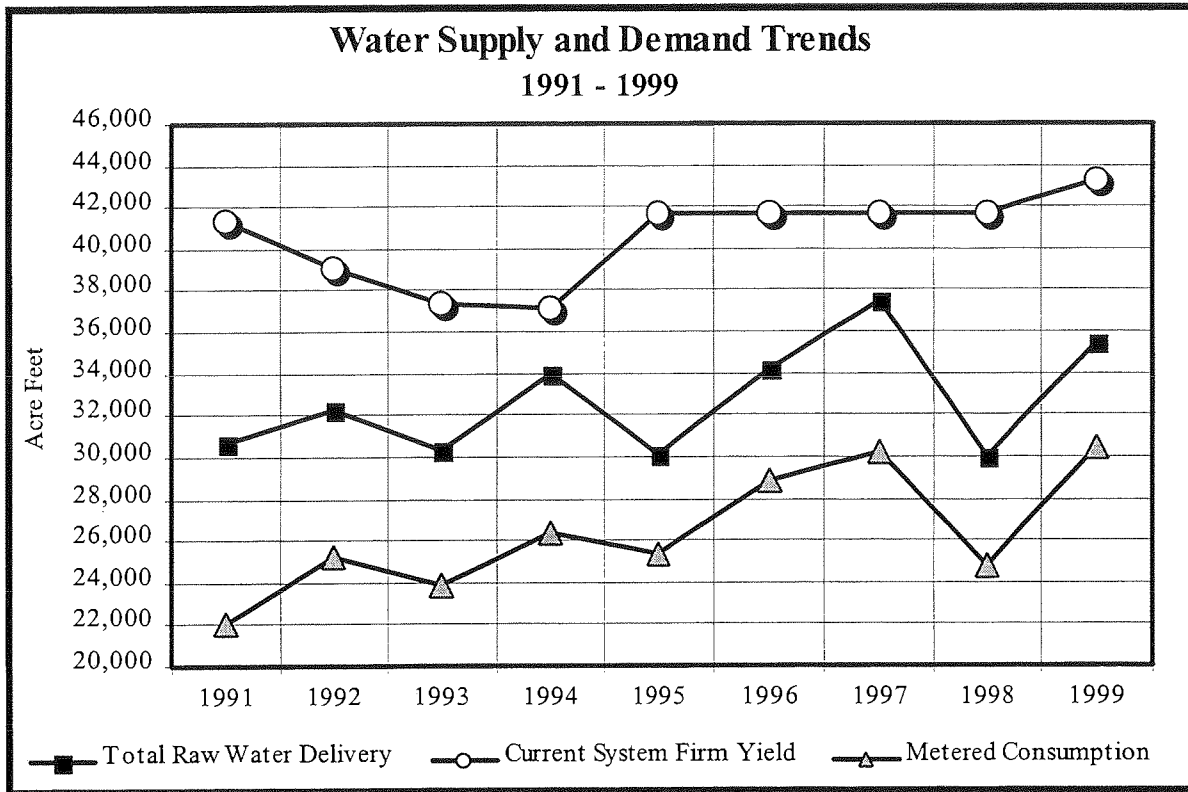
<b>Annual District Water Allocations and Actual Deliveries</b>										
<b>Year ending Dec 31</b>	<b>Acre-Feet Allocated</b>					<b>Acre-Feet Delivered</b>				
	<b>Sly Park</b>	<b>Folsom</b>	<b>Crawford</b>	<b>Forebay</b>	<b>Total</b>	<b>Sly Park</b>	<b>Folsom</b>	<b>Crawford</b>	<b>Forebay</b>	<b>Total</b>
1991	23,000	1,875 <sup>[1]</sup>	700	15,080	<b>40,655</b>	13,971	2,020	700	13,951	<b>30,642</b>
1992	23,000	2,266 <sup>[1]</sup>	700	15,080	<b>41,046</b>	16,968	2,306	700	12,246	<b>32,220</b>
1993	23,000	7,550	700	15,080	<b>46,330</b>	26,353	2,066	700	1,205	<b>30,324</b>
1994	23,000	2,266 <sup>[1]</sup>	700	15,080	<b>41,046</b>	14,924	2,695	700	15,651	<b>33,970</b>
1995	23,000	7,550	700	15,080	<b>46,330</b>	19,602	4,357	700	5,402	<b>30,061</b>
1996	23,000	7,550	700	15,080	<b>46,330</b>	17,657	4,185	700	11,957	<b>34,199</b>
1997	23,000	7,550	700	15,080	<b>46,330</b>	29,247 <sup>[2]</sup>	4,579	700	1,222 <sup>[2]</sup>	<b>35,748</b>
1998	23,000	7,550	700	15,080	<b>46,300</b>	18,420	4,960	700	5,947	<b>30,027</b>
1999	23,000	7,550	700	15,080	<b>46,300</b>	19,163	6,138	700	9,495	<b>35,496</b>

Source: Monthly Raw Water Delivery Report

[1] Allocated amounts were less than normal due to water shortage in those years

[2] Due to January 1997 floods, water delivery was different than in past years.





### Water Supply and Demand Data in Acre Feet

Year	Total Raw Water Delivery <sup>[1]</sup>	Metered Consumption <sup>[2]</sup>	Current System Firm Yield <sup>[3]</sup>	Unaccounted for Water <sup>[4]</sup>
1991	30,642	22,053	41,300	8,589
1992	32,220	25,273	39,050	6,947
1993	30,324	23,897	37,400	6,427
1994	33,970	26,307	37,150	7,663
1995	30,062	25,373	41,700	4,689
1996	34,199	28,846	41,700	5,353
1997	37,438	30,263	41,700	5,485
1998	30,027	24,733	41,700	4,829
1999	35,496	30,389	43,280	4,829

Source: El Dorado Irrigation District, Update to the Water Supply and Demand Report

[1] Raw water diverted from all District water sources, and includes metered consumption, beneficial uses and unaccounted-for water  
 [2] Potable or raw water metered or measured and billed to District customers in the contiguous service area  
 [3] The System Firm Yield is calculated using the Abraham Model (a custom computer model). The model determines the annual quantity of water the integrated water supply system can theoretically make available 95% of the time, per District Regulation No. 2  
 [4] Any water diverted into the piped or ditch systems that was not measured and billed to customers or otherwise accounted-for

<b>Historic Rate Increases <sup>[1]</sup></b>		
<b>Year</b>	<b>Water</b>	<b>Sewer</b>
1990	0.0%	0.0%
1991	5.6%	5.6%
1992	0.0%	0.0%
1993	0.0% <sup>[2]</sup>	25.0%
1994	0.0%	25.0%
1995	0.0%	0.0%
1996	25.4%	19.3%
1997	0.0%	0.0%
1998	0.0%	0.0%
1999	0.0%	62.4%

Source: El Dorado Irrigation District

[1] Percentage increases shown are for Residential Accounts.

[2] Although water rates were adjusted in 1993, the overall adjustment was revenue neutral.

<b>District Growth History of New Equivalent Dwelling Units (EDU's) <sup>[1]</sup></b>		
<b>Year</b>	<b>Water</b>	<b>Sewer</b>
1990 <sup>[2]</sup>	3,557	2,690
1991	504	200
1992	839	712
1993 <sup>[3]</sup>	202	72
1994	811	711
1995	341	265
1996	461	274
1997	771	658 <sup>[4]</sup>
1998	821	692
1999	860	956

Source: Customer Service Division of Finance Department

[1] An Equivalent Dwelling Unit represents the water usage equivalent to a typical single family dwelling.

[2] Special Crawford allocation, meters bought in 1990, placed on-line 1991-1994.

[3] Recession year, lowest year, lull in construction.

[4] Starting in 1997, includes reclaimed water EDU's.

## Building Permit Valuations

	1992	1993	1994	1995	1996	1997	1998	1999
<b>Valuations (in thousands):</b>								
Residential	\$147,290	\$121,026	\$144,720	\$120,653	\$184,073	\$166,825	\$182,448	\$263,095
Non-Residential	25,072	28,008	32,290	17,070	19,731	14,114	17,539	\$31,119
<b>TOTAL</b>	<b>\$172,362</b>	<b>\$149,034</b>	<b>\$177,010</b>	<b>\$137,723</b>	<b>\$203,804</b>	<b>\$180,937</b>	<b>\$199,987</b>	<b>\$294,214</b>
<b>New Dwelling Units:</b>								
Single Family	1,019	733	917	884	1,083	1,003	852	1,143
Multiple Family	22	25	57	0	323	0	29	140
<b>TOTAL</b>	<b>1,041</b>	<b>758</b>	<b>974</b>	<b>884</b>	<b>1,406</b>	<b>1,003</b>	<b>881</b>	<b>1,283</b>

Source: County of El Dorado – Building Department

## New Construction Finals

	1992	1993	1994	1995	1996	1997	1998	1999
Single Family	1,090	804	742	927	861	968	895	884
Multi-Family	20	12	4	9	83	171	158	136
Commercial	167	119	95	56	83	61	52	56
	<b>1,277</b>	<b>935</b>	<b>841</b>	<b>992</b>	<b>1,027</b>	<b>1,200</b>	<b>1,105</b>	<b>1,076</b>

Source: County of El Dorado – Building Department

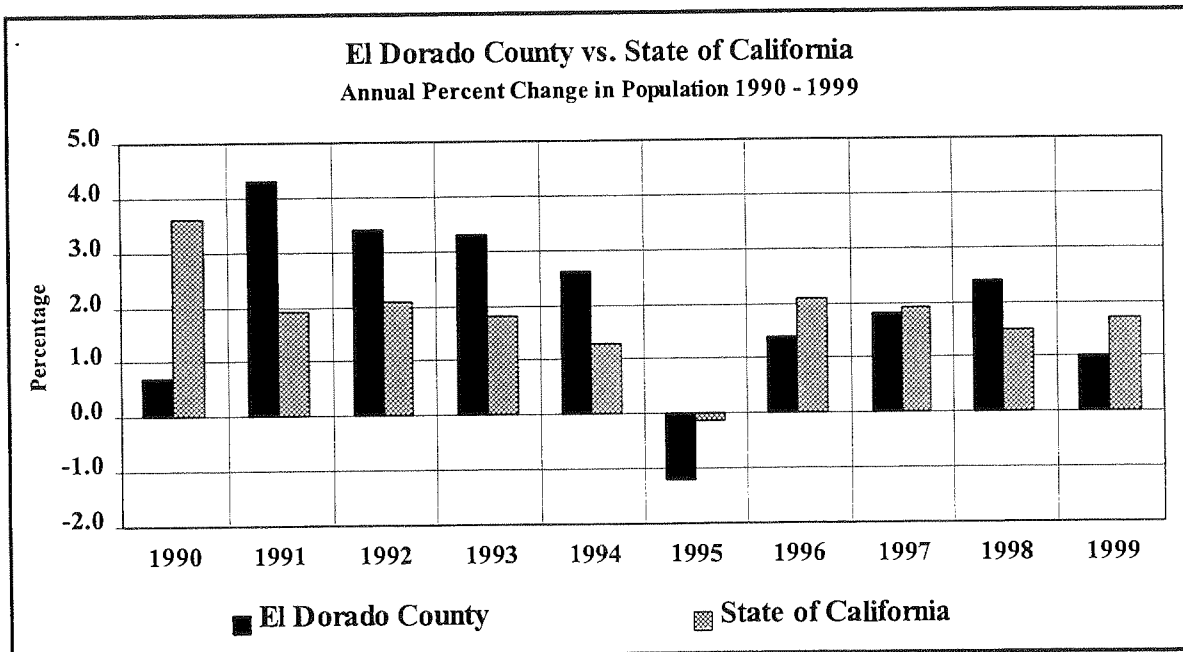


## Population

Year	El Dorado County	Annual % Change	Decennial % Change	State Of California	Annual % Change	Decennial % Change
1960	29,300		-	15,717,204		-
1970	43,833		50.0%	19,971,069		27.1%
1980	85,812		96.0%	23,668,145		19.0%
1985	104,707	-		26,072,000	-	
1986	108,100	3.1%		26,694,000	2.3%	
1987	113,200	4.5%		27,331,000	2.3%	
1988	116,700	3.0%		27,996,000	2.4%	
1989	125,100	7.2%		28,701,000	2.5%	
1990	125,995	0.7%	46.8%	29,760,021	3.6%	25.7%
1991	131,700	4.3%		30,321,000	1.9%	
1992	136,300	3.4%		30,982,000	2.1%	
1993	140,900	3.3%		31,552,000	1.8%	
1994	144,600	2.6%		31,952,000	1.3%	
1995	<sup>[1]</sup> 142,900	-1.2%		31,910,000	-1.3%	
1996	144,905	1.4%		32,609,000	2.1%	
1997	147,600	1.8%		33,252,000	1.9%	
1998	<sup>[1]</sup> 151,300	2.4%		33,765,000	1.5%	
1999	152,900	1.0%		34,336,000	1.7%	

Source: U.S. Census for 1960, 1970, 1980, and 1990; State of California, Department of Finance for all other year.

[1] Reflects population adjustment by State of California, Department of Finance.



## Civilian Labor Force Employment & Unemployment

Year and Area	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)
<b>1990:</b>				
County of El Dorado	63,100	60,300	2,800	4.5
California	14,699,900	13,846,500	823,400	5.6
United States	124,787,000	117,913,000	6,874,000	5.5
<b>1991:</b>				
County of El Dorado	66,900	62,700	4,200	6.3
California	14,833,500	13,714,000	1,119,400	7.5
United States	125,303,000	116,877,000	8,426,000	6.6
<b>1992:</b>				
County of El Dorado	68,000	62,500	5,500	8.1
California	15,187,000	13,805,000	1,382,000	9.1
United States	126,982,000	117,598,000	9,384,000	7.4
<b>1993:</b>				
County of El Dorado	66,900	61,100	5,800	8.6
California	15,187,000	13,883,900	1,415,900	9.3
United States	130,667,000	121,971,000	8,696,000	6.7
<b>1994:</b>				
County of El Dorado	69,400	64,200	5,200	7.5
California	15,471,000	14,141,000	1,330,000	8.6
United States	131,056,000	123,060,000	7,996,000	6.1
<b>1995:</b>				
County of El Dorado	72,000	67,000	5,000	7.0
California	15,415,500	14,205,900	1,209,600	7.8
United States	132,304,000	124,900,000	7,405,000	5.6
<b>1996:</b>				
County of El Dorado	73,400	68,700	4,700	6.4
California	15,508,146	14,382,777	1,132,095	7.3
United States	133,943,000	126,708,000	7,236,000	5.4
<b>1997:</b>				
County of El Dorado	76,000	72,100	3,900	5.1
California	16,098,400	15,173,700	924,700	5.7
United States	137,169,000	130,778,000	6,392,000	4.7
<b>1998:</b>				
County of El Dorado	79,100	75,700	3,400	4.3
California	16,421,300	15,452,900	968,400	5.9
United States	137,673,000	131,463,000	6,210,000	4.5
<b>1999:</b>				
County of El Dorado	82,100	78,800	3,300	4.1
California	16,703,100	15,802,200	900,900	5.4
United States	139,368,000	133,488,000	5,880,000	4.2

Source: Bureau of Labor Statistics; State of California, Employment Development Department, Labor Market Information Division

## El Dorado County Major Employers

Company Name	Location	Type of Business	# of Employees
County Office of Education	El Dorado County	Public Service	7,000
County of El Dorado	Placerville/S. Lake Tahoe	Public Service	1,700
Output Technology Solutions	El Dorado Hills	Data Processing	1,180
Marshall Hospital	Placerville	Healthcare	825
<i>El Dorado Irrigation District</i>	<i>Placerville</i>	<i>Public Utilities</i>	<i>227</i>
U.S. Forest Service	El Dorado County	Public Service	220
K-Mart	Placerville	Retail	160
Sierra Pacific Industries	Camino	Lumber	150
Wetsel-Oviatt Lumber Company	Latrobe	Lumber	120
Pacific Western Plastic	Cameron Park	Extruded Pipe	115

Note: Listing is sampling of El Dorado County Major employers, listing is not all inclusive  
Number of Employees for each company verified by phone.

## Number of Employees by Industry in El Dorado County

Industry	# of Employees
Farming, Forestry, Fishing	325
Construction & Mining	2,374
Manufacturing	1,511
Utilities (Transportation, Communication, Electricity, Gas)	1,403
Trade (Retail and Wholesale)	10,253
Finance, Insurance, Real Estate	1,727
Services	13,275
Public Services	<u>9,174</u>
<b>TOTAL</b>	<b>40,042</b>

Source: Employment Development Department, Labor Market Information Division

## Water Rates

<b>SINGLE FAMILY RESIDENTIAL</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$20.06 Minimum</b>
(WA) Water Service, (SG) Gravity- Dual	0 – 1,500 cf	0.75 Per 100 Cubic Feet
(Dual-see (RC) Recycled) (EG) Gravity-	1,501 – 20,000 cf	0.81 Per 100 Cubic Feet
(Based on EDU's) Condos, Mobile Hms-Separate Meters	20,001 – Excess cf	0.95 Per 100 Cubic Feet
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$22.58 Minimum</b>
(WA) Water Service, (SP) Pumped, (SD)Pumped-	0 – 1,500 cf	0.83 Per 100 Cubic Feet
Dual, (Dual-see (RC) Recycled) (EP) Pumped-	1,501 – 20,000 cf	0.89 Per 100 Cubic Feet
(Based on EDU's) Condos, Mobile Hms-Separate Meters	20,001 – Excess cf	1.06 Per 100 Cubic Feet
<b>Strawberry – Pumped (29)</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$27.16 Minimum</b>

<b>MULTI-FAMILY RESIDENTIAL</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$11.22 Minimum</b>
(WA) Water Service	0 – 1,200 cf	0.66 Per 100 Cubic Feet
(MG) Gravity – Master Meter	1,201 – 25,000 cf	0.69 Per 100 Cubic Feet
	25,001 – Excess cf	0.83 Per 100 Cubic Feet
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$12.28 Minimum</b>
(WA) Water Service	0 – 750 cf	0.85 Per 100 Cubic Feet
(MP) Pumped – Master Meter	751 – 23,000 cf	0.89 Per 100 Cubic Feet
	23,001 – Excess cf	1.07 Per 100 Cubic Feet
These ranges represent an average for one unit, and will be increased proportionately to the number of units per account.		

<b>DOMESTIC IRRIGATION</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$38.20 Minimum</b>
(WA) Water Service, (DG) Gravity,	0 – 6,500 cf	0.08 Per 100 Cubic Feet
(FG) Gravity (small farm)-	6,501 – 100,000 cf	0.09 Per 100 Cubic Feet
Approved by Ag Commission 3 year Contract	100,001 – Excess cf	0.12 Per 100 Cubic Feet
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$42.64 Minimum</b>
(WA) Water Service, (DP) Pumped	0 – 4,500 cf	0.19 Per 100 Cubic Feet
(FP) Pumped (small Farm)-	4,501 – 46,500 cf	0.21 Per 100 Cubic Feet
Approved by Ag Commission 3 year Contract	46,501 – Excess cf	0.27 Per 100 Cubic Feet

<b>AGRICULTURAL METERED IRRIGATION (AMI)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$38.24 Minimum</b>
(WA) Water Service, (AG) Gravity	0 – 16-Inches Per acre	0.06 Per 100 Cubic Feet
(See (RW) Raw Water)	16.01 – 47-Inches Per acre	0.07 Per 100 Cubic Feet
	47.01 – Excess Per acre	0.08 Per 100 Cubic Feet
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$43.26 Minimum</b>
(WA) Water Service	0 – 16-Inches Per acre	0.06 Per 100 Cubic Feet
(AP) Pumped	16.01 – 47-Inches Per acre	0.07 Per 100 Cubic Feet
	47.01 – Excess Per acre	0.08 Per 100 Cubic Feet
AMI – Billed Base Charge and 1 <sup>st</sup> step only. At the end of irrigation season in October, these accounts will be re-billed by acreage.		

Water Rates Continued on next page

Note: Complicated tiered rate structures resulted from United States Bureau of Reclamation mandate.

## Water Rates

<b>DITCHES- Metered Landscape Irrigation</b>		
	<b>Bi-Monthly Basic Charge</b>	<b>\$39.78 Minimum</b>
(LS) Irrigation Service Raw Water <i>(see (AG/RW) Raw Water)</i>		0.702 Per 100 Cubic Feet
<b>DITCHES – Metered Landscape Irrigation (Outside District)</b>		
	<b>Bi-Monthly Basic Charge</b>	<b>\$59.74 Minimum</b>
(LS) Irrigation Service Raw Water <i>(See (AG/RW) Raw Water)</i>		1.028 Per 100 Cubic Feet
<b>DITCHES / RAW WATER (effective 11/1/96; Resolution No. 96-73)</b>		
	<b>Bi-Monthly Basic Charge</b>	<b>Commodity Charge</b>
½-inch Flow (AG) (RW)	36.66	
1-inch Flow (AG) (RW)	81.44	
**Continuous Flow (AG) (RW)	62.98	.0470 Per 100 Cubic Feet
** Continuous Flow-Outside District (AG) (RW)	94.46	.0706 Per 100 Cubic Feet
Metered (Garden) Irrigation (LS) (RW)	38.20	.093 Per 100 Cubic Feet
Metered (Agricultural) Irrigation (LS) (RW)	38.24 N/A No Accts	.064 Per 100 Cubic Feet

<b>RECREATIONAL TURF SERVICES-GRAVITY (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$76.50 Minimum</b>
(LS) Landscape Irrigation Service (RG) Gravity	0 – 13,300 cf	0.28 Per 100 Cubic Feet
¾-inch, 1-inch, 1 ½-inch meter	13,301 – 75,000 cf	0.29 Per 100 Cubic Feet
	75,001 – Excess	0.34 Per 100 Cubic Feet
<b>RECREATIONAL TURF SERVICES – GRAVITY (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$459.00 Minimum</b>
(LS) Landscape Irrigation Service (RP) Pumped	0 – 80,000 cf	0.28 Per 100 Cubic Feet
¾-inch, 1-inch, 1 ½-inch meter	80,001 – 450,000 cf	0.29 Per 100 Cubic Feet
	450,001 – Excess	0.34 Per 100 Cubic Feet

<b>RECREATIONAL TURF SERVICES – PUMPED (AVERAGE / BI-MONTHLY)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$86.52 Minimum</b>
(LS) Landscape Irrigation Service, (RP) Pumped	0 – 25,000 cf	0.49 Per 100 Cubic Feet
¾-inch, 1-inch, 1 ½-inch meter	25,001 – 62,500 cf	0.50 Per 100 Cubic Feet
	62,501 – Excess	0.58 Per 100 Cubic Feet
<b>RECREATIONAL TURF SERVICES – PUMPED (ANNUAL RANGES)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$519.12 Minimum</b>
(LS) Landscape Irrigation Service, (RP) Pumped	0 – 150,000 cf	0.49 Per 100 Cubic Feet
¾-inch, 1-inch, 1 ½-inch meter	150,001 – 375,000 cf	0.50 Per 100 Cubic Feet
	375,001 – Excess	0.58 Per 100 Cubic Feet

<b>RECREATIONAL TURF SERVICES-GRAVITY (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$76.50 Minimum</b>
(LS) Landscape Irrigation Service, (RG) Gravity	0 – 37,500 cf	0.28 Per 100 Cubic Feet
2-inch, 3-inch meter	37,501 – 166,700 cf	0.29 Per 100 Cubic Feet
	166,701 – Excess	0.34 Per 100 Cubic Feet
<b>RECREATIONAL TURF SERVICES – GRAVITY (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$459.00 Minimum</b>
(LS) Landscape Irrigation Service, (RG) Gravity	0 – 225,000 cf	0.28 Per 100 Cubic Feet
2-inch, 3-inch meter	225,01 – 1,000,000 cf	0.29 Per 100 Cubic Feet
	1,000,001 – Excess	0.34 Per 100 Cubic Feet

Water Rates Continued on next page

Note: Complicated tiered rate structures resulted from United States Bureau of Reclamation mandate.



## Water Rates

<b>RECREATIONAL TURF SERVICES – PUMPED (AVERAGE / BI-MONTHLY)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$86.52 Minimum</b>
(LS) Landscape Irrigation Service, (RP) Pumped	0 – 50,000 cf	0.49 Per 100 Cubic Feet
2-inch, 3-inch, 4-inch meter	50,001 – 333,300 cf	0.50 Per 100 Cubic Feet
	333,301 – Excess	0.58 Per 100 Cubic Feet
<b>RECREATIONAL TURF SERVICES – PUMPED (ANNUAL RANGES)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$519.12 Minimum</b>
(LS) Landscape Irrigation Service, (RP) Pumped	0 – 300,000 cf	0.49 Per 100 Cubic Feet
2-inch, 3-inch, 4-inch	300,001 – 2,000,000 cf	0.50 Per 100 Cubic Feet
	2,000,001 – Excess	0.58 Per 100 Cubic Feet
<b>RECREATIONAL TURF SERVICES-GRAVITY (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$76.50 Minimum</b>
(LS) Landscape Irrigation Service, (RG) Gravity	0 – 500,000 cf	0.28 Per 100 Cubic Feet
4-inch, 6-inch, 8-inch, “other” meter	500,001 – 1,666,700 cf	0.29 Per 100 Cubic Feet
	1,666,701 – Excess	0.34 Per 100 Cubic Feet
<b>RECREATIONAL TURF SERVICES – GRAVITY (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$459.00 Minimum</b>
(LS) Landscape Irrigation Service, (RG) Gravity	0 – 3,000,000 cf	0.28 Per 100 Cubic Feet
4-inch, 6-inch, 8-inch, “other” meter	3,000,001 – 10,000,000 cf	0.29 Per 100 Cubic Feet
	10,000,001 - Excess	0.34 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – GRAVITY (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$31.36 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (see (RC) Recycled)	0 – 3,000 cf	0.49 Per 100 Cubic Feet
(LS) Landscape Service, (CG) Gravity	3,001 – 4,200 cf	0.51 Per 100 Cubic Feet
5/8-inch, 3/4-inch meter	4,201 – Excess	0.62 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – GRAVITY (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$188.16 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 18,000 cf	0.49 Per 100 Cubic Feet
Service (see (RC) Recycled), (CP) Pumped	18,001 – 250,000 cf	0.51 Per 100 Cubic Feet
5/8-inch, 3/4-inch meter	250,001 – Excess	0.62 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – PUMPED (AVERAGE / BI-MONTHLY)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$35.12 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 4,200 cf	0.88 Per 100 Cubic Feet
Service (see (RC) Recycled), (CP) Pumped	4,201 – 45,800 cf	0.92 Per 100 Cubic Feet
5/8-inch, 3/4-inch meter	45,801 – Excess	1.12 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – PUMPED (ANNUAL RANGES)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$210.72 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape	0 – 25,000 cf	0.88 Per 100 Cubic Feet
Service, (see (RC) Recycled), (CP) Pumped	25,001 – 275,000 cf	0.92 Per 100 Cubic Feet
5/8-inch, 3/4-inch meter	275,001 – Excess	1.12 Per 100 Cubic Feet

Water Rates Continued on next page

Note: Complicated tiered rate structures resulted from United States Bureau of Reclamation mandate.

## Water Rates

<b>COMMERCIAL / INDUSTRIAL – GRAVITY (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$31.36 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Service	0 – 7,800 cf	0.49 Per 100 Cubic Feet
(see (RC) Recycled), (CG) Gravity	7,801 – 100,000 cf	0.51 Per 100 Cubic Feet
1-inch, 1 ½-inch meter	100,001 – Excess	0.62 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – GRAVITY (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$188.16 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 47,000 cf	0.49 Per 100 Cubic Feet
Service (see (RC) Recycled), (CG) Gravity	47,001 – 600,000 cf	0.51 Per 100 Cubic Feet
1-inch, 1 ½-inch meter	600,001 – Excess	0.62 Per 100 Cubic Feet

<b>COMMERCIAL / INDUSTRIAL – PUMPED (AVERAGE / BI-MONTHLY)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$35.12 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 11,700 cf	0.88 Per 100 Cubic Feet
Service (see (RC) Recycled), (CP) Pumped	11,701 – 100,000 cf	0.92 Per 100 Cubic Feet
1-inch, 1 ½-inch meter	100,001 – Excess	1.12 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – PUMPED (ANNUAL RANGES)</b>		
<b>Pumped</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$210.72 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 70,000 cf	0.88 Per 100 Cubic Feet
Service, (see (RC) Recycled), (CP) Pumped	70,001 – 600,000 cf	0.92 Per 100 Cubic Feet
1-inch, 1 ½-inch meter	600,001 – Excess	1.12 Per 100 Cubic Feet

<b>COMMERCIAL / INDUSTRIAL – GRAVITY (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$31.36 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Service	0 – 25,000 cf	0.49 Per 100 Cubic Feet
(see (RC) Recycled), (CG) Gravity	25,001 – 133,300 cf	0.51 Per 100 Cubic Feet
2-inch, 3-inch, 4-inch, 6-inch meter	133,301 – Excess	0.62 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – GRAVITY (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$188.16 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Service	0 – 150,000 cf	0.49 Per 100 Cubic Feet
(see (RC) Recycled), (CG) Gravity	150,001 – 800,000 cf	0.51 Per 100 Cubic Feet
2-inch, 3-inch, 4-inch, 6-inch meter	800,001 – Excess	0.62 Per 100 Cubic Feet

<b>COMMERCIAL / INDUSTRIAL – PUMPED (AVERAGE / BI-MONTHLY)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$35.12 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 20,800 cf	0.88 Per 100 Cubic Feet
Service (see (RC) Recycled), (CP) Pumped	20,801 – 133,300 cf	0.92 Per 100 Cubic Feet
2-inch, 3-inch, 4-inch, 6-inch meter	133,301 – Excess	1.12 Per 100 Cubic Feet
<b>COMMERCIAL / INDUSTRIAL – PUMPED (ANNUAL RANGES)</b>		
<b>Gravity</b>	<b>Bi-Monthly Basic Charge</b>	<b>\$210.72 Minimum</b>
(WC) Water Comm/Ind/Rts Service, (LS) Landscape Irrigation	0 – 125,000 cf	0.88 Per 100 Cubic Feet
Service (see (RC) Recycled), (CP) Pumped	125,001 – 800,000 cf	0.92 Per 100 Cubic Feet
2-inch, 3-inch, 4-inch, 6-inch meter	800,001 – Excess	1.12 Per 100 Cubic Feet

Water Rates Continued on next page

Note: Complicated tiered rate structures resulted from United States Bureau of Reclamation mandate.

## Water Rates

<b>MUNICIPAL</b>		
	<b>Bi-Monthly Basic Charge</b>	<b>\$00.0 Minimum</b>
(WA) Water Service	0 – 295,500 cf	0.31 Per 100 Cubic Feet
(MU) City of Placerville	295,501 – 12,160,000 cf	0.35 Per 100 Cubic Feet
	12,160,001 - Excess	0.40 Per 100 Cubic Feet

<b>FIRE HYDRANT (effective 11/1/96; Resolution No. 96-73)</b>		
	<b>Bi-Monthly Basic Charge</b>	<b>\$50.16 Minimum</b>
(FH) Fire Hydrant/Construction		\$1.00 Per 100 Cubic Feet

<b>PRIVATE FIRE SERVICE</b>		
	<b>Bi-Monthly Basic Charge</b>	<b>\$50.16 Minimum</b>
(PF) Private Fire Service	N/A	N/A

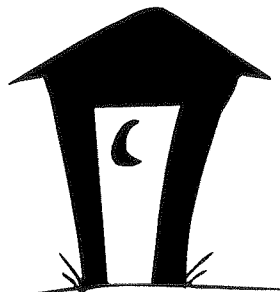


Note: Complicated tiered rate structures resulted from United States Bureau of Reclamation mandate.

## Sewer Rates

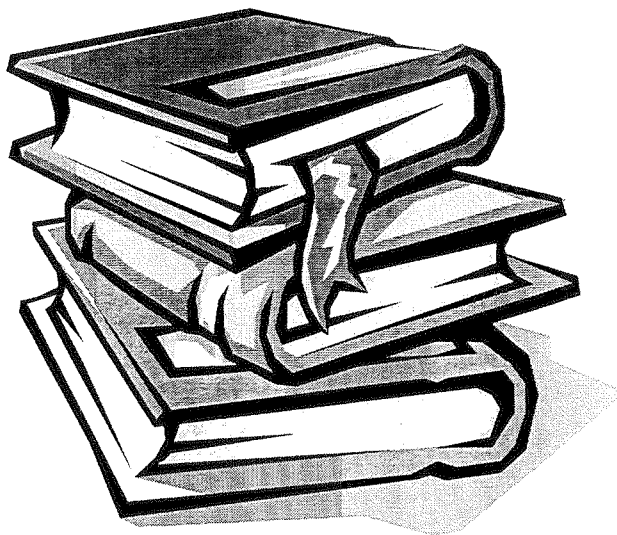
Rate Classification	Bi-Monthly Basic Charge	Commodity Charge (*Per CCF)
<b>Small Farm/Recreational Turf (SW)</b> <b>Domestic Irrigation/ Sewer Only</b> (effective 2/7/99)	\$90.49	
<b>Single Family Residential Multi Family (SQ)</b> (effective 5/1/00) * If no water consumption during winter quarter the rate is \$90.45 per billing period	\$90.49	\$1.61
<b>Commercial/Industrial</b> Basic Charge	\$38.75	
<b>Laundromat (SL)</b> (effective 1/1/98)		\$1.10
<b>Market (SM)</b> (effective 1/1/98)		\$1.95
<b>Repair Shop/Service Station (SV)</b> (effective 1/1/98)		\$1.95
<b>Light Industrial (SI)</b> (effective 1/1/99)		\$2.29
<b>Restaurant (SR)</b> (effective 1/1/99)		\$3.33
<b>Other (CG)</b> (effective 1/1/98)		\$1.64
<b>Commercial (Without Water Service)</b> Basic Charge (CW)	\$45.34	
Each Additional Unit	\$51.74	
<b>School Wastewater Yearly (CW)</b>	\$6.06	Per Student & Staff
<b>Septage Transfer (SW)</b>	\$109.59	Per 1000 Gallon Load
<b>Recycled Water (RC)</b> (effective 5/15/99)		
<b>Gravity (CG)</b>	\$77.86	\$0.45
<b>Gravity – Dual (SC)</b>	N/A	\$0.45
<b>Pumped (CP)</b>	\$77.86	\$0.45
<b>Pumped – Dual (SD)</b>	N/A	\$0.45

Source: El Dorado Irrigation District



## Facility Capacity Charges, Surcharges and Supplemental Charges for 1999

Area	Water	Sewer
<b>El Dorado Hills</b>		
FCC (water effective 6/13/92, sewer effective 11/5/99)	\$ 4,646	\$ 5,861.00
Gabbro Soil	\$ 345.00	-
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	-
AD#3 Supplemental Charge	\$ 1501.00	\$ 0
<b>TOTAL</b>	<b>\$ 6,660.00</b>	<b>\$ 5,861.00</b>
<b>Cameron Park</b>		
FCC (water effective 6/13/92, sewer effective 5/6/99)	\$ 3,396.00	\$ 6,656.00
Gabbro Soil	\$ 345.00	-
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	-
Gold Hill Surcharge	\$ 1,250.00	-
<b>TOTAL</b>	<b>\$ 5,159.00</b>	<b>\$ 6,656.00</b>
<b>Mother Lode</b>		
FCC (water effective 6/13/92, sewer effective 5/6/99)	\$ 4,646.00	\$ 7,958.00
Gabbro Soil	\$ 345.00	-
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	-
<b>TOTAL</b>	<b>\$ 5,159.00</b>	<b>\$ 7,958.00</b>
<b>Strawberry</b>		
FCC (effective 6/13/92)	\$ 3,865.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	
Strawberry Surcharge	\$ 781.00	
<b>TOTAL</b>	<b>\$ 5,159.00</b>	
<b>Outingdale (Inside Subdivision)</b>		
FCC (effective 6/13/92)	\$ 235.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	
Outingdale Surcharge	\$ 4,411.00	
<b>TOTAL</b>	<b>\$ 5,159.00</b>	
<b>Outingdale (Outside Subdivision)</b>		
FCC (effective 6/13/92)	\$ 2,133.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	
Outingdale Surcharge	\$ 2,513.00	
<b>TOTAL</b>	<b>\$ 5,159.00</b>	
<b>Swansboro</b>		
FCC (effective 6/13/92)	\$ 4646.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	
Swansboro Surcharge	\$ 975.00	
<b>TOTAL</b>	<b>\$ 6,134.00</b>	
<b>Lake Hills Subdivision</b>		
FCC (effective 6/13/92)	\$ 4646.00	
Gabbro Soil	\$ 345.00	N/A
Reservoir Cover Project (effective 02/07/99)	\$ 168.00	
<b>TOTAL</b>	<b>\$ 5,159.00</b>	



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